



MINUTES OF THE MEETING OF THE BOARD MEMBERS

October 28, 2025

Michael F. Gerber, Chair of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on October 28, 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 K. Bilyeu of Oregon, member (by telephone); Leona M. Bridges of California, member (by telephone); Stacie Olivares of California, member; Ravindra Deo, Executive Director; Dharmesh Vashee, General Counsel and Secretary; Suzanne Tosini, Chief Operating Officer and Deputy Executive Director; James Courtney, Director, Office of Participant Experience; Sean McCaffrey, Chief Investment Officer; Thomas Brandt, Chief Risk Officer; Trevor Williams, Chief Financial Officer; James L. Kaplan, Director, Office of External Affairs; and Jason Boyd, Chief Information Officer.

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. and welcomed everyone present to the meeting.

1. Approval of the Minutes of the September 25, 2025, Board Meeting.

Chair Gerber entertained a motion for approval of the minutes of the September 25, 2025, Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on September 25, 2025, be approved.

Mr. Deo then gave opening remarks and provided a brief summary of the agenda.

2. Monthly Reports.

a. Participant Activity Report

Mr. Courtney reviewed the monthly Participant Activity Report. See "Participant Activity Report October 2025" (attached). He reported that the Thrift Savings Plan (TSP) has remained open and available for all transactions throughout the lapse in appropriations. Active participants with outstanding TSP loans continue to remain in good standing.

Mr. Courtney noted increased participant activity during the month of October as compared to the same period in 2024. As of October 25th, the TSP processed 35 percent more loans and 15 percent more withdrawals. Furthermore, the ThriftLine answered more than 183,000 calls during this period, which is a 23 percent increase. The average wait time during this period was just over two minutes, with approximately 60 percent of calls being answered within 20 seconds or less. Despite increased wait times through October 25th, participant satisfaction with the ThriftLine and overall participant satisfaction with all interactions exceeded 94 percent. Mr. Courtney concluded his report by sharing some positive comments from participants.

In response to a question from Chair Gerber, Mr. Courtney affirmed that the Agency has the resources available to meet the demands that the lapse in appropriations is creating and further stated the Agency's recordkeeper has allocated additional resources to handle the increased volume.

b. Legislative Report

Mr. Kaplan reported that Congress has not yet reached an agreement on Fiscal Year 2026 funding or enacted a continuing resolution to fund ongoing federal government activities. As a result, the government continues to face a lapse of appropriations, and it is unclear when Congress may pass a short-term spending resolution or any appropriations bill that would fund government operations.

Mr. Kaplan noted that the Senate is currently in session, actively debating how to proceed with funding legislation while also conducting other legislative business. The House of Representatives is only holding pro forma sessions, with most members working in their districts until a funding agreement is reached. FRTIB continues to track the status of all draft legislation and proposals that could impact the Agency, the TSP, or participants and beneficiaries.

3. Quarterly Reports.

a. Investment Review

Mr. McCaffrey reviewed the monthly investment performance report. See "September 2025 Investment Program Review" (attached). For the month of September, he reported that 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 performance for the I Fund exceeded the International Index by 36 basis points, primarily due to fair value pricing. State Street's performance for the I Fund matched the International Index.

Mr. McCaffrey reported that the Federal Reserve cut the federal funds rate target by 25 basis points, noting elevated uncertainty in the economic outlook and downside risks to the employment situation. Equity markets were higher for the month, leading to gains in the C, S, and I Funds. The F Fund also increased, propelled by decreases in some longer-term interest rates, by bond yields, and by modest decreases in yield spreads. All L Funds finished higher.

Year-to-date, BlackRock's performance for the F Fund was ahead of the Fixed Income Index by three basis points, primarily due to securities sampling. Its C and S Funds were in line with the Funds' respective indices. For the I Fund, performance was ahead of the International Index by 92 basis points, primarily due to tax advantage and fair value pricing.

State Street's year-to-date performance for the F Fund was ahead of the Fixed Income Index's returns by four basis points, primarily due to interest earned on cash. Its C Fund performance matched the Large Cap Index returns, and the S Fund performance was ahead of the Small Mid-Cap Index by nine basis points, primarily due to securities sampling and securities lending. For the I Fund, performance was ahead of the International Index by 62 basis points, primarily due to tax advantage and fair value pricing.

As of market close through October 27th, the C Fund is ahead by 2.86 percent; the S Fund has returned 2.71 percent; the I Fund is up 2.96 percent; the F Fund has a gain of 1.29 percent; and the G Fund is showing a gain of 0.32 percent. Regarding L Fund participation, Mr. McCaffrey reported that approximately 23,000 new participant accounts were added, with the largest increase coming from the L 2070 Fund, followed by smaller increases in the other longer dated L Funds. He noted that automatic enrollment of new participants continues to drive growth.

Related to interfund transfers, Mr. McCaffrey reported that net dollar transfers were relatively low during the month of September. On a percentage basis, about 2.4 percent of participants moved between funds, which is above the long-term median of roughly 2.0 percent.

Mr. McCaffrey next reported that an audit of BlackRock's proxy voting conducted by International Shareholder Services (ISS) found no exceptions to BlackRock's established guidelines during the period. During an audit of State Street's proxy voting, ISS found one exception to State Street's established guidelines during the quarter. That exception referred to a vote that was decided by a blanket rule instead of being referred to State Street for additional review. This deviation from procedure did not change the direction of the vote, meaning the vote would have been cast the same way even after additional review. There was no impact on the outcome. The Agency has communicated with State Street about ensuring that processes are in place so that this does not happen again.

Finally, Mr. McCaffrey reported on class action settlements. BlackRock began the 2nd quarter with 97 open claims. During the quarter, 17 new claims were opened and 21 claims were closed. Total amounts collected were approximately 1.7 million dollars, which included recent settlements of over 1.67 million dollars and total residual payments from previously closed claims netting almost 35,000 dollars. Ninety-three claims remained open at the end of the quarter. State Street began the 2nd quarter with 50 open claims, seven new claims were opened and 16 claims were

closed. Total proceeds from settlements were about 452,000 dollars, and 41 claims remained open at the end of the quarter.

b. Audit Status

Mr. Williams presented the quarterly external audit and remediation status. See “Quarterly External Audit and Remediation Status October 2025” (attached). He reported there were a total of 12 audits during Fiscal Year 2025, with all 12 being completed. The Employee Benefits Security Administration (EBSA) had nine audits, Sikich had one, the Government Accountability Office (GAO) had one, and Williams Adley had one.

Mr. Williams identified a healthy downward trend of open recommendations in recent years, with 236 audit recommendations in FY21 and 77 in FY25 through the end of this quarter. He also reported the Agency started this quarter with 88 open audit recommendations. Of those, 42 have been implemented, meaning corrective actions have been taken and the recommendation is considered closed, pending the auditors’ review. Forty-six recommendations are in progress. The remaining open audits were completed this quarter. The Agency received eight new recommendations and closed 19 recommendations, ending the quarter with 77 open audit recommendations. Of those 77, 32 have been implemented and 45 remain in progress.

In response to a question from Member Olivares, Mr. Williams confirmed that the Agency has the resources available it needs to respond to the audits, both internally and externally.

c. Budget Review

Mr. Williams next presented the quarterly budget update. See “FY2025 4th Quarter Budget Review” (attached). He noted that the Board approved a budget of 500.9 million dollars for FY25, out of which only 467.9 million dollars, or 93 percent, was executed. The remainder of 33 million dollars was left unexecuted for FY25. Mr. Williams emphasized that every dollar we do not spend is a dollar invested for our participants.

4. Financial Wellness Survey Report.

Mr. Brandt presented the results of the Financial Wellness Survey. See “FRTIB Financial Wellness Survey 2025” (attached). This survey focuses on Federal Employees’ Retirement System (FERS) participants’ financial wellness and retirement confidence and is administered every other year, alternating with the Participant Satisfaction Survey.

Between May and July of 2025, the Agency sent the survey by mail and web-based methods to over 10,000 TSP participants across all career stages. This

year, to address historically low response rates among early-career participants, the survey oversampled this group to help ensure adequate representation. Additionally, Mr. Brandt noted the questions in this year's survey were modified to align with the Employee Benefit Research Institute's (EBRI) methodology, allowing for direct comparison to data gathered from EBRI on other employees in the United States.

Mr. Brandt reported that more than half of respondents indicated satisfaction with their current financial condition, with late-career and retired participants expressing the highest levels of satisfaction. He noted that financial wellness perceptions tend to track with the Consumer Confidence Index. In 2023, the Consumer Confidence Index was 110 and in 2025, during the survey, the index was at 97. This decrease in consumer confidence correlated with a slight decrease in participants' satisfaction with their financial condition, 57 percent in 2023 and 54 percent in 2025. In comparing TSP participants to the general population workforce, Mr. Brandt cited a recent Gallup survey in which 44 percent of respondents rated their financial condition with similar levels of satisfaction.

Regarding confidence in their ability to live comfortably throughout retirement, Mr. Brandt noted that active TSP participants' confidence levels are comparable to those in the general population. In a 2025 EBRI survey, 67 percent of respondents expressed confidence in their retirement readiness, compared to 74 percent of TSP participants overall, with late-career and retired participants reporting significantly more confidence in their retirement preparedness than early-career participants.

Mr. Brandt also discussed barriers to saving for retirement among less confident participants. The survey revealed that the most common concern was cost of living or housing, followed by concerns about not saving enough and the future reliability of pensions and Social Security. Uniquely, late-career participants were more likely than other groups to cite personal debt as a limiting factor in their ability to save for retirement. Mortgage and rent, everyday expenses, and personal debt were the top three most common types of debt cited by participants who are not confident when asked what types of debt affect their retirement savings. Mr. Brandt observed a notable decline in participants selecting the "other" category for debts that most affected their ability to save, possibly because they reclassified their concerns to the new category of "everyday expenses." He also noted a significant rise in participant concern with medical debt affecting their ability to save for retirement as compared to 2023.

The survey also explored participants' anticipated retirement age and planning horizons. Mr. Brandt reported that 31 percent of participants—the largest group—anticipated they will retire between ages 60 and 64. This figure was slightly lower than in 2023. Mr. Brandt further compared this data to research data from the EBRI, which found that many workers often retire earlier than expected.

When participants were asked how many years they would need for their TSP funds to last into retirement, Mr. Brandt noted approximately 30 percent of

respondents anticipated needing their savings to last 20 to 29 years, while 25 percent of respondents were unsure. He discussed that, overall, just over half of respondents were able to estimate how much money they would need to retire comfortably. Those who are later in their careers or retired tend to have higher levels of awareness of how much money they will need during retirement, and the further they are from retirement, the less likely individuals are to have considered this question. Mr. Brandt further indicated that participants who had estimated their retirement needs typically did so by calculating monthly or annual income.

Beyond the TSP and Social Security, Mr. Brandt reported that many participants expect to have additional retirement sources of income, including a FERS annuity. Just under half of respondents reported having private savings or investments and a little over 40 percent indicated they had access to retirement plans or stock ownership through other employers, in addition to other sources of income.

Mr. Brandt also reviewed the sources that participants use to seek information about retirement planning guidance. The TSP website was the most frequently cited source, which was a significant increase compared to the prior survey. The second most common source was external financial publications, websites, tools, and other media, followed closely by information provided directly from the employing agency. Mr. Brandt reported that late-career and retired participants were most likely to have consulted with a financial advisor.

Mr. Brandt identified that having emergency savings is an important predictor of an individual's financial wellbeing. He reported that approximately 80 percent of participants reported having funds set aside for emergencies. Related to money management practices, Mr. Brandt discussed that nearly three-quarters of respondents reported tracking their spending, and about two-thirds were actively working to manage or reduce debt. These practices are consistent with 2023 survey findings. Mr. Brandt noted that using more money management practices tended to correlate to higher confidence that individuals will have enough money to live comfortably throughout retirement. Mr. Brandt highlighted two key drivers of retirement confidence: having an emergency fund and having an idea of the amount of money needed for retirement.

Mr. Brandt reported that approximately 500 participants provided a response to an open-ended question that asked how the TSP can support participants in improving financial wellness and retirement readiness. They identified that seminars on retirement planning, personalized retirement planning advice, and an improved website would be helpful.

Mr. Brandt concluded that the survey results suggest the Agency is effectively supporting participants and assisting them to retire with dignity.

In response to a question from Member Olivares, Mr. Brandt stated the survey did not include questions about how tax considerations influence participant

contributions but suggested this could be explored in future surveys. Member Olivares recommended gauging participants' understanding of how setting aside money for retirement could impact their tax liability.

In response to a question from Chair Gerber, Mr. Brandt suggested that the increase in participants looking to the TSP for retirement planning guidance may have resulted from recent outreach efforts and tailored communications. He emphasized the importance of these findings in guiding future resource allocation and strategic planning.

5. Social Science Update.

Dr. Elizabeth Perry, Chief Scientific Advisor, provided the annual update on the TSP Social Science Program. See "Social Science Update 2025" (attached). Dr. Perry highlighted several key projects from the past year, reflecting the programs' ongoing evolution and impact.

Dr. Perry began with "GROW with the TSP," an initiative developed in collaboration with the Office of Investments and the Office of Participant Experience, which targets early-career participants under age 35. She explained that the team developed a series of emails that emphasize the long-term benefits of early saving, using the message that every dollar invested can grow to 10 dollars over 35 years due to the power of compound interest. This campaign earned a financial literacy award and showed promising results: participants who received the messaging were two and a half times more likely to increase their TSP contributions.

Next, Dr. Perry described outreach directed to over-contributors. This yearly correspondence targets participants who are saving too much, too quickly, and are on track to exceed the IRS elective deferral limit before the end of the calendar year. She explained that because TSP matching occurs each pay period, over-contributing early in the year can result in participants missing matching contributions during the later periods due to maxing out the IRS limits. Dr. Perry reported that in fall of 2024, the program identified at-risk participants and encouraged them to adjust their contribution rates to spread savings evenly throughout the year. She noted positive results, with nearly 25 percent of recipients successfully adjusting their contributions to receive their full match. Finally, she noted that last December, correspondence was sent to remind these participants how to avoid over-contributing.

In response to a question from Chair Gerber, Dr. Perry explained that the only way for a participant to receive the full match on contributions is to contribute at least five percent of their salary each pay period. If a participant hits the IRS limit on contributions in June and stops contributing, they will miss out on the matching contributions for the remaining pay periods. Mr. Deo added that the matching rules are part of the Plan design and not a decision made by the Agency. He explained that this is

common across 401(k) plans because matching is intended to enhance employee retention by rewarding valued employees over the entire year. For example, if employees only stay with an employer for half of the year, they only receive half of the match.

Dr. Perry then shared findings from focus groups conducted with participants who moved funds into the G Fund during market volatility in the spring of 2025. The goal was to understand the motivations behind these decisions, assess any regrets, and test educational messages about the risks of reactive trading. Dr. Perry's team collaborated with the Office of Participant Experience to incorporate the most effective messages into the July newsletter, which became the highest-rated newsletter item to date. The day after the newsletter was released, the TSP experienced the third-largest daily net inflow to lifecycle funds in nearly five years.

Dr. Perry also discussed outreach to participants nearing retirement. She noted that feedback from this group was overwhelmingly positive, with many participants requesting a dedicated series for retirees. The Agency launched a new outreach effort in late summer targeting retired participants who remained in the TSP to address common questions submitted by this group, including post-separation account management, rollover strategies, investment options, required minimum distributions, and withdrawal options. The series received over 13,000 comments—more than any previous campaign—and many participants indicated they planned to adjust their investments. Notably, emails focused on the L Income Fund and investment choices were followed by the highest daily inflows to the L Income Fund since 2020. Additionally, account closures among participants aged 60 and older declined during the campaign period, countering the typical year-end trend.

In response to a question from Member Bridges, Dr. Perry explained that outreach focused on educating retired participants on investment choices and how investments continue growing after retirement. Specifically, the L Income Fund is designed to provide some growth and also help preserve assets.

Finally, in response to a question from Member Olivares, Dr. Perry acknowledged the complexity of projecting long-term tax impacts and factoring them into retirement contribution decisions. She emphasized the importance of providing early-career participants with foundational information to support informed decision-making, while directing them to additional resources available on the TSP website.

6. OEA Annual Presentation.

Mr. Kaplan gave the annual Office of External Affairs (OEA) report. See “Office of External Affairs Annual Review” (attached). Mr. Kaplan noted that the presentation coincided with his one-year anniversary at the Agency. He briefly discussed the structure of OEA, which includes two staff members and himself, and its

role as the liaison between the Agency and external stakeholders. Working with the United States Congress, OEA responds to inquiries from GAO and the Congressional Research Service as well as individual members of Congress and their staff. They also engage with the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.

Mr. Kaplan explained that OEA manages media relations, ensuring that participants and the public receive accurate information about activities within the TSP. This includes monitoring press coverage, responding to media inquiries, and providing updates on Agency activities.

Mr. Kaplan next highlighted OEA's ongoing collaboration with Employee Thrift Advisory Council (ETAC), which represents federal unions, federal employee organizations, and uniformed services. ETAC last joined the May Board meeting and OEA is currently preparing for ETAC's annual standalone meeting. OEA provides ETAC with key information and updates for its members to share with their organizations. For example, OEA shared information about the lapse in appropriations with ETAC immediately after it was released on the TSP website. Likewise, ETAC members inform the Agency of issues and concerns that arise within their membership.

Lastly, Mr. Kaplan explained that OEA coordinates with other Agency offices to respond to policy questions from other federal agencies across the executive branch, including the Office of Management and Budget, the Office of Personnel Management, the Department of Labor, and the Department of the Treasury.

7. Adjourn.

On a vote taken by the Chair, the members closed the meeting at 10:57 a.m. to enter into executive session.

At 1:36 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 1:36 p.m.

MOTION: That this meeting be adjourned.

Dharmesh Vashee
General Counsel and Secretary

Attachments

1. Participant Activity Report October 2025
2. September 2025 Investment Program Review
3. Quarterly External Audit and Remediation Status October 2025
4. FY2025 4th Quarter Budget Update
5. FRTIB Financial Wellness Survey 2025
6. Social Science Update 2025
7. Office of External Affairs Annual Review