

FRTIB Annual Budget Presentation

FY 2021 Proposal

FY 2022 Estimate

PRESENTED BY

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September 14, 2020



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Agenda

- FY 2020 Review
- FY 2021 Budget Overview
- FY 2021 Budget Recap
- Questions

FY 2020 Budget Review



FY 2020 Review

Agency activities focused on strategic priorities executed against our \$385.6M FY 2020 Budget

**Advance key
procurement
activities**

**Enhance
benefits and
services to
participants**

**Implement
internal
effectiveness
and efficiency
initiatives**

**Continue
steady state
operations**



FY 2020 Operational Highlights



Answered 2.6M Calls



Managed \$640B AUM
for 6.0M participants



Handled >550K Forms



Mailed ~17M
Communications
Materials



Processed 119M
Contributions = \$29B



FY 2020 Notable Accomplishments

- No operational or Agency impact from COVID
- Participant Focused
 - 2 Factor Authentication
 - 5 Year L Funds
 - New Website
 - Provisions of SECURE Act and CARES Act
 - 5% auto-enroll (launches on October 1)
- Audits
 - FISMA
 - Audit Findings - Agency has successfully closed 112 audit recommendations as of August 31, 2020



FY 2021 Budget Overview



FY 2021 Agency Top Priorities



Implementation of RKSA



**Implementation of FSM,
MSS and AITS**



**Increase Cybersecurity
and Operational
Resiliency**

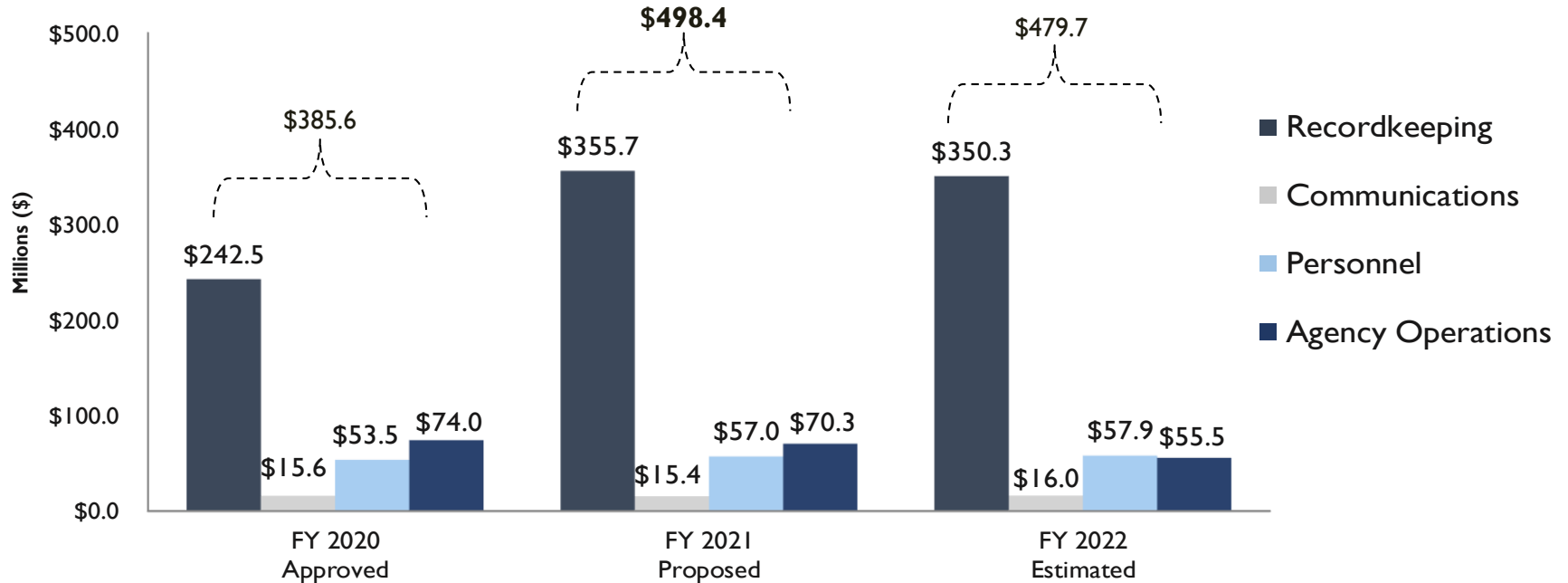


Remediate Audit Findings

Steady State with High Service Levels



FY 2021 Budget Overview



FY 2021 Agency Priorities

Implementation of RKSA



Planned Actions

- RKSA implementation



Expected Outcomes

- ➔ Enhanced tools and services to enable participants to achieve their retirement goals
- ➔ More modern, cohesive, agile, and secure recordkeeping platform
- ➔ Enhanced Roll-Ins; Mutual Fund Window; Electronic Signature Capability
- ➔ Additional Participant Service Channels: Mobile App, Virtual Assistant, Enhanced Self Help and Live Chat capabilities



FY 2021 Agency Priorities

Implementation of FSM, MSS and AITS



Planned Actions

FSM implementation

Managed Security Services

Agency IT Services



Expected Outcomes



Integration and modernization of Agency financial systems (incl. contracting and travel)



Enhanced security posture and increased ability to adapt to internal and external threats



Improved Agency IT infrastructure and end user (staff) support



FY 2021 Agency Activities

Increase Cybersecurity and Operational Resiliency



Planned Actions



Expected Outcomes

- | | | |
|--|---|---|
| <input type="checkbox"/> Mature vulnerability management program | ⇒ | <input type="checkbox"/> Improved vulnerability remediation times |
| <input type="checkbox"/> Procure and implement integrated risk management tool | ⇒ | <input type="checkbox"/> Develop more holistic and integrated view of Agency-wide cybersecurity posture |
| <input type="checkbox"/> Expand role-based training program | ⇒ | <input type="checkbox"/> Deepen expertise of security responsibilities for personnel with specialized roles |



FY 2021 Agency Activities

Audit Remediation



Planned Actions

Audit Remediation



Expected Outcomes

Expanded assessment of key controls across the enterprise



Ongoing risk mitigation and audit closure activity



Enhance FISMA maturity



FY 2021 Agency Activities

Steady State



Planned Actions

Enhance and maintain reliability



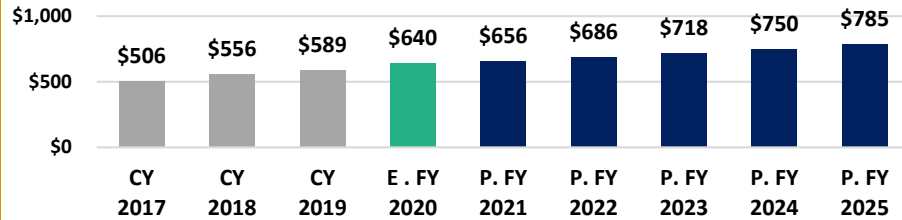
Expected Outcomes

Consistent, reliable, secure recordkeeping, benefits processing and customer service to Ps & Bs

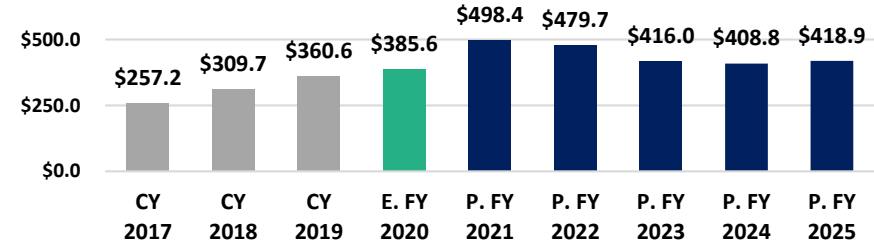


FY 2021 Budget Relative to Plan Projections

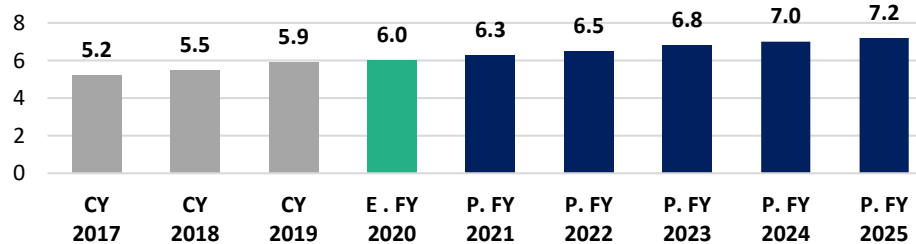
Average Assets in Billions (\$)



Budget in Millions (\$)

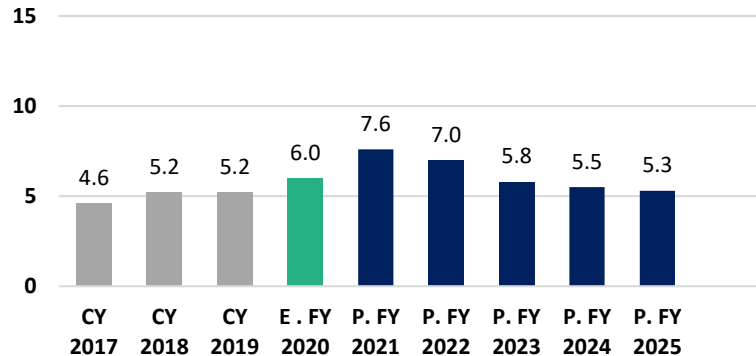


Participants in Millions

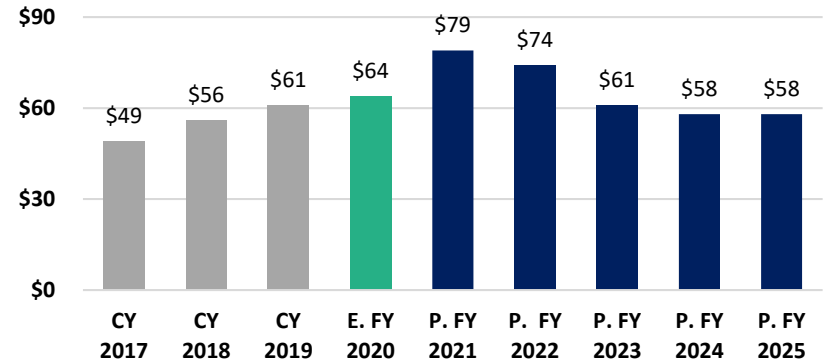


FY 2021 Budget Relative to Plan Projections

**Budget to Assets Ratio
in Gross Basis Points**



**Budget to Participant Ratio
in Dollars (\$)**



FY 2021 Budget Recap



Budget Summary

FY 2020 Approved Budget

- \$385.6M budget execution is in alignment with projected allocation

FY 2021 Proposed Budget

- Seeking approval for \$498.4M
- 29% increase from FY 2020
- Projected expenses associated with RKSA transition
- TESS Bridge contract
- Steady State operations

FY 2022 Estimated Budget

- Estimate of \$479.7M
- FSM Go-Live (Early FY 2022)
- RKSA Go-Live (Mid FY 2022)

FY 2020 – FY 2022 Budget Summary (\$ Millions)

