

# OFFICE OF EXTERNAL AFFAIRS ANNUAL REVIEW

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# OEA Structure



# OEA Functional Statement

- Develop and manage external communication strategies to a variety of audiences:
  - Employee Thrift Advisory Council (ETAC);
  - Media;
  - Other Federal agencies; and
  - Congress.
- FRTIB anchors its analysis of legislative proposals on whether the bills are in the sole interest of the participants and beneficiaries.

# Employee Thrift Advisory Council

- Statutory; consists of 14 Federal, Postal and uniformed services representatives:

American Federation of Government Employees

Federal Managers Association

National Active & Retired Federal Employees Association

National Association of Letter Carriers

National Federation of Federal Employees

National Treasury Employees Union

United Postmasters and Managers of America

American Postal Workers Union

Federally Employed Women, Inc.

National Association of Government Employees

National Association of Postal Supervisors

National Rural Letter Carriers' Association

Senior Executives Association

Uniformed Services Representative

# Employee Thrift Advisory Council

- ETAC advises the Board and the Executive Director on investment policy and the operation of the TSP
- ETAC provides suggestions based on feedback from their membership; FRTIB shares information on upcoming TSP changes
- Generally meets:
  - Jointly with the Board once a year
  - With the Executive Director once a year

# Congressional Oversight

- Congress has unfettered power to review every aspect of a Federal agency.
- Congress has access to 3 Congressional organizations to help them:
  - Government Accountability Office
  - Congressional Research Service
  - Congressional Budget Office
- For most agencies, Congress controls their budget.
- The FRTIB is one of the few agencies for which that is not true – it provides a beneficial degree of predictability to Agency operations.

# FRTIB Oversight Committees

- Senate Committee on Homeland Security and Governmental Affairs (8 D/7 R)
  - Senator Gary Peters, D- MI
  - Senator Rand Paul, R-KY
- Subcommittee on Government Operations and Border Management (4 D/3 R)
  - Senator Kyrsten Sinema, D-AZ
  - Senator James Lankford, R-OK

# FRTIB Oversight Committees

- House Committee on Oversight and Accountability (25 R/19 D)
  - Congressman James Comer, R-KY
  - Congressman Jamie Raskin, D-MD
- Subcommittee on Government Operations and the Federal Workforce(11 R/8 D)
  - Congressman Pete Sessions, R-TX
  - Congressman Kweisi Mfume, D-MD



# Legislative Initiatives

- FRTIB sought a change for default investment fund from G Fund to age-appropriate L Fund
  - Enacted in December 2014; implemented September 2015
- FRTIB worked closely with DoD and Congress on the legislation to create the blended retirement system for uniformed service members
  - Enacted November 2015; implemented January 2018
- FRTIB sought a change to TSP withdrawal options
  - Enacted November 2017; implemented September 2019
- FRTIB successfully sought a change to the CARES Act to ensure the withdrawal provisions accommodated FERSA withdrawal language
  - Enacted in March 2020; implemented July 2020

# Types of Legislation OEA Monitors

- Main categories of legislation:
  - Adding/restricting TSP Funds
  - Changing FERS defined benefit
  - Pension law changes affecting 401(k) and TSP, such as SECURE 2.0
  - Bills that affect all agencies, such as information security requirements or Federal personnel

# Proposed Changes to TSP Funds

## DISINVEST

Northern Ireland

South Africa

Darfur

Iran

China

ESG and China from MFW

## ADD A FUND

Mortgage- backed Securities

SRI/ESG

REIT

Precious Metals

Sustainable Energy



# Legislation Introduced 118<sup>th</sup> Congress

- Currently tracking 25 pieces of legislation
- 5 dealing with the I Fund and/or the MFW, with a focus on investments in China or ESG criteria
- 1 re-defining the fiduciary responsibility of FRTIB Board members
- 6 dealing with Members of Congress' pensions
- The remainder mention the TSP but do not affect participants or investment choices, such as bills that create a similar structure for retirement savings – references the TSP's statute

# Historical Number of Bills

- Number and types of bills that OEA tracks is fairly steady over each Congress
  - 117<sup>th</sup> (2021-2022) -- 38
  - 116<sup>th</sup> (2019-2020) -- 39
  - 115<sup>th</sup> (2017-2018) -- 26

# Questions?