



# **FY2017 – 2021**

# **Strategic Plan Closeout Report**

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Federal Retirement Thrift Investment Board

May 2021

## **Letter from the Executive Director**

Over the last five years, Federal Retirement Thrift Investment Board (FRTIB) successfully implemented the FY2017-2021 Strategic Plan, in order to deliver better outcomes to our Thrift Savings Plan (TSP) participants. Together, we achieved many impactful accomplishments and overcame both challenges and complex choices, culminating in making the strategic decision to shift to a managed services business model. As we closeout the FY2017-2021 Strategic Plan, it is clear we have learned a lot over the last five years and have plenty to celebrate.

For instance, we invested in our IT security infrastructure and made tremendous strides to improve our IT security posture, increased our cyber resiliency, and bolstered business continuity. We worked to ensure that FRTIB had the right skills, competencies, and leadership at all levels, enabling our teams to deliver our strategic objectives. We delivered a more secure environment for participants, updated the participant website, expanded our contact center services, added the uniformed services Blended Retirement System, greatly enhanced the Lifecycle Funds, and expanded withdrawal flexibilities. All of these efforts worked to improve the participant experience and provide them the tools and services that aid them in making sound retirement decisions.

Building upon the progress achieved and stronger foundation built during the FY2017-2021 Strategic Planning cycle, we have a renewed focus on improving participant outcomes and TSP services in our FY2022-2026 Strategic Planning period. Consequently, we look forward to providing a participant experience that enables all TSP participants to achieve better retirement outcomes and retire with dignity.

Sincerely,



Ravindra Deo  
Executive Director

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## Introduction

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This report serves as the final step in the Federal Retirement Thrift Investment Board's (FRTIB or Agency) five-year Strategic Planning process, closing out the FY2017-2021 Strategic Plan. It provides a high-level summary of the impact and accomplishments of FRTIB's strategy implementation efforts, while also providing a more detailed look at specific outcomes and measures for each strategic goal. It is a key step in reflecting on the progress FRTIB made during the period as well as the lessons the Agency learned while implementing the plan.

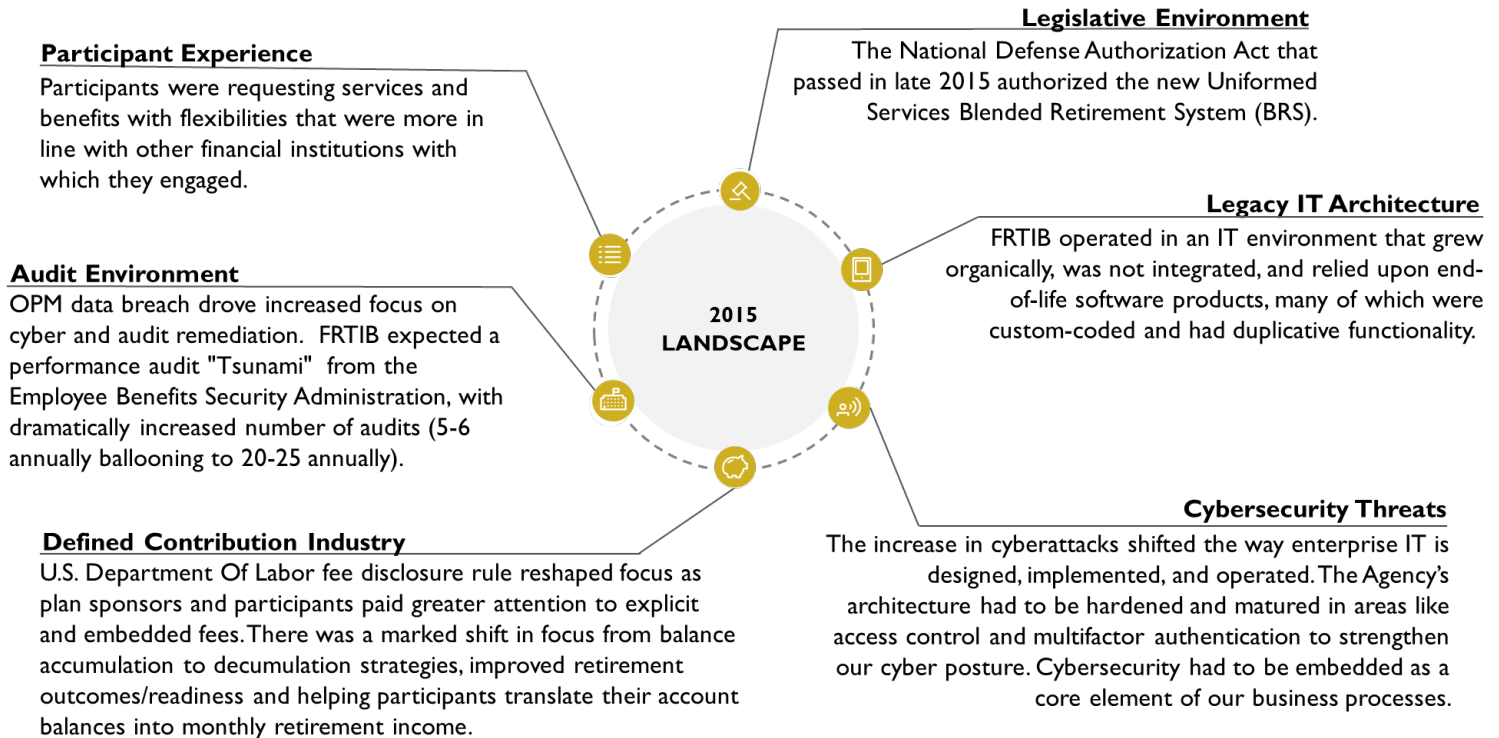
The FY2017-2021 Strategic Plan established the strategic goals by which the FRTIB planned to achieve its vision over the course of five years. These goals were developed to address four key areas: infrastructure, people, Agency processes, and participant experience.

- **Goal A** – Implement a physical and technology infrastructure that optimizes and supports plan administration, Agency operations, and the evolution of a new participant experience
- **Goal B** – Ensure that FRTIB has the right skills, competencies, and leadership at all levels
- **Goal C** – Optimize business processes to allow continuous improvement of TSP and Agency operations
- **Goal D** – Develop a new participant experience that enables participants to identify and achieve their targeted retirement outcomes

In addition to the goals, the Strategic Plan defined Agency-level priorities and helped to facilitate decisions around resources needed to implement the established goals and objectives.

## Environmental Backdrop going into FY2017-2021

These factors defined the environment in which the Agency was operating at the time and were key considerations in developing the goals and objectives of the FY 2017-2021 Strategic Plan.



## Major Changes During the Strategic Planning Cycle

During the implementation of the FY2017-2021 Strategic Plan, FRTIB shifted its approach for delivering one of its key initiatives for achieving the strategic objectives. Historically, the Agency faced IT infrastructure and security deficits, open audit findings and recommendations, and lagged in participant services. To address these concerns, the Agency decided to build a modernized recordkeeping platform.

After considerable analysis, FRTIB decided to pivot from owning and maintaining recordkeeping, financial systems, and related IT systems to procuring these services in the future. It was determined that this strategic outsourcing and replacement of the legacy IT platform would allow the Agency to leverage industry best practices for technology and recordkeeping and enable agile responses to changes in the defined contribution market. Further, this new operating model would allow the Agency to dedicate more of its efforts to better understanding participant needs and preferences and offer the services and plan design that enable them to make sound retirement decisions.

## **FY2017-2021 Strategic Plan Summary**

The Agency made significant progress on its strategic goals and objectives during Strategic Plan implementation, as highlighted by some key accomplishments:

- **Enhanced IT Security and Infrastructure:** The Federal Information Security Management Act of 2002 (FISMA) mandates that federal agencies develop, document, and implement an Agency-wide program to provide information security for information systems that support Agency operations and assets. The Agency achieved a more secure IT environment as evidenced by much improved FISMA scores. Additionally, significant investments in infrastructure were made which improved systems performance, resilience, and business continuity.
- **Improved Risk Posture:** By managing the Agency's risk to achieve current strategic goals and objectives, FRTIB greatly improved its risk posture and risk management culture. By prioritizing efforts to address the root causes of audit findings to improve operations and program outcomes, the Agency closed a large number of open audit recommendations. The Agency is now better positioned to renew its focus on core mission areas.
- **Expanded Reach and New Services Provided to Participants:** FRTIB expanded access to the TSP with auto-enrollment of uniformed service members via the Blended Retirement System (BRS). Improvements were made in customer service availability and account security. FRTIB also enhanced plan design with the addition of 5-year Lifecycle funds, greater withdrawal flexibilities, an easier catch-up contribution process, and an increased default contribution amount.
- **Progressed Towards New Business Model:** FRTIB awarded two managed service procurements, Recordkeeping Services Acquisition (RKSA, now called Converge) and Financial Services Modernization (FSM), moving the Agency closer to its future business model to procure instead of owning and operating the systems.

The next section provides a deeper dive into each of the Strategic Plan's four goals, including an expanded look at accomplishments and impacts by goal.

## FY2017-2021 Strategic Goal A Overview

*Goal A: Implement a physical and technology infrastructure that optimizes and supports plan administration, Agency operations, and the evolution of a new participant experience*

The Agency recognized the need to update and harden its existing IT infrastructure, improve controls, and remediate audit findings. These improvements were needed as the foundational work before the Agency could focus on enhancing the participant experience and improving retirement outcomes. As such, this work was prioritized ahead of the other goals in the FY 2017-2021 Strategic Plan.

**Goal A Intended Outcomes:**

Outcome 1 – We keep participant data and operational systems safe, in line with best practices

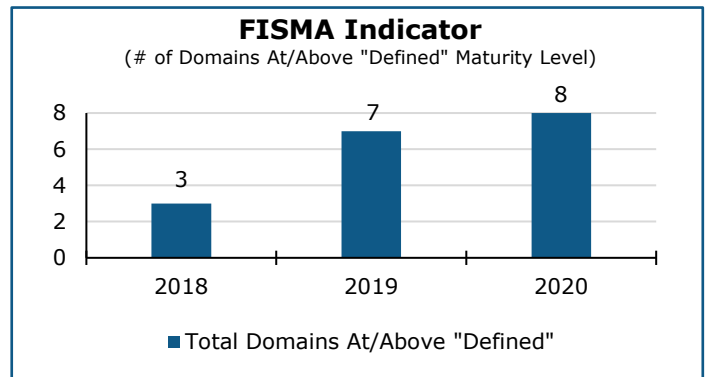
Outcome 2 – Our IT infrastructure allows us to operate efficiently and easily

Outcome 3 – We provide participants the information they want, on their desired platform, when they want it

Goal A key accomplishments and impacts include:

### Improved FISMA scores

At the start of the Strategic Planning period, the Agency was at the lowest FISMA maturity level (Ad Hoc) in all domains. Now all 8 Agency domains have reached Level 2 (Defined) or higher on the FISMA maturity scale, with 7 domains at Level 4 (Managed and Measurable). These FISMA scores are an indication of the Agency’s progress towards maturing cybersecurity measures and creating a more secure environment for participant and Agency operations.

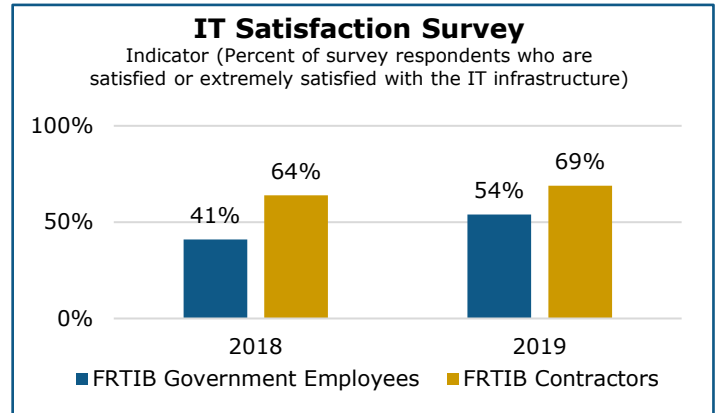


### Increased resiliency and disaster recovery capabilities

The Agency increased its resiliency and disaster recovery capabilities by procuring upgraded mainframes, beginning the implementation of full failover capabilities at both of its data centers, and starting the transition to a Security Operations Center (SOC) via a Federal Shared Services Provider.

Increased network performance

The Agency increased network performance and bandwidth to support the increased participant population arriving with the creation of BRS in 2018. The improved network performance also enabled the Agency and its contractor workforce to seamlessly shift to a remote work environment at the onset of the COVID-19 pandemic.



While significant IT improvements were made, as well as improvements specific to participant services, the Agency made the decision to defer other participant products and services until the implementation of the new recordkeeping platform. This platform (now referred to as Converge) will deliver much improved services and tools to support TSP participants.



## FY2017-2021 Strategic Goal B Overview

*Goal B: Ensure that FRTIB has the right skills, competencies, and leadership at all levels*

Human capital is critically important to the Agency’s long-term success and consequently it is important to ensure that FRTIB has the right competencies and skills among employees to optimize steady state operations, professional development, and achieve its strategic goals. In executing this goal, the Agency continues to endeavor to make FRTIB a great place to work and a place where great work is done.

**Goal B Intended Outcomes:**

Outcome 1 – We live our core values

Outcome 2 – Our employees possess the right skills to achieve our goals

Goal B key accomplishments and impacts include:

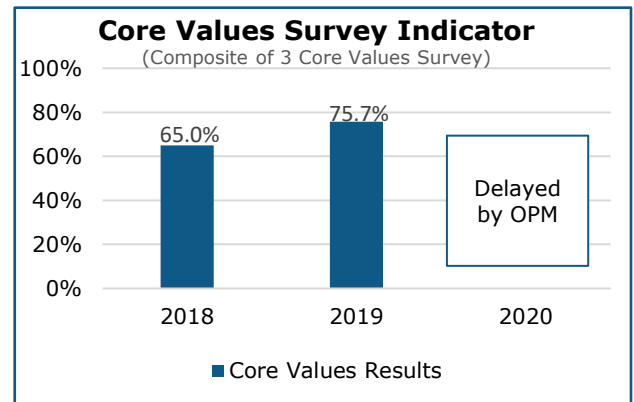
### Identified the right skills and competencies

The Agency completed multiple milestones, including the full implementation of a workforce skill assessment effort and competency inventory designed to support the Agency’s move to managed services contracts. This enabled the Agency to assess skill needs, identify gaps, and develop strategies to address those gaps. In 2020, 54% of employees reported that they met their target skill level. While there is still more progress to be made here, the assessment illuminated where FRTIB can specifically target efforts to better prepare employees for success.

### Improved on core values realization

In 2019, the Agency’s results improved in OPM’s Core Values Survey indicating that the Agency is doing a better job delivering on its core values of integrity, collaboration, and focus on participants.

In addition to the above, the Agency engaged in a number of other initiatives as a regular part of steady state activities, including training and development programs, technical trainings, coaching and mentoring programs, and an employee detail program.



## FY2017-2021 Strategic Goal C Overview

*Goal C: Optimize business processes to allow continuous improvement of TSP and Agency operations*

FRTIB devised methodologies to understand the maturity of its current processes and spending practices and identified where to focus efforts during the planning period. Additionally, the Agency developed an approach to assess how well processes improve speed, accuracy, and security of its operations.

**Goal C Intended Outcomes:**

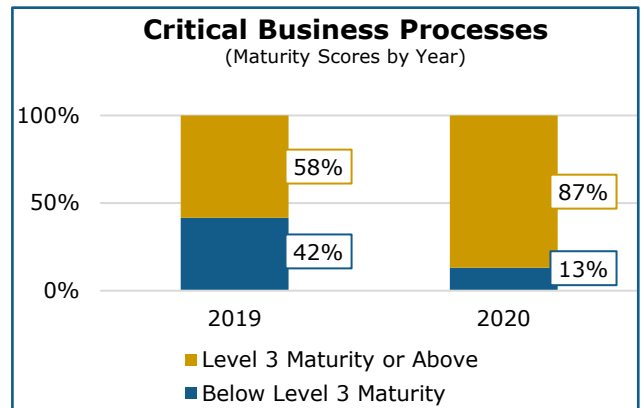
Outcome 1 – We have streamlined processes that improve speed, accuracy, and security

Outcome 2 – We spend participant money wisely

Goal C key accomplishments and impacts include:

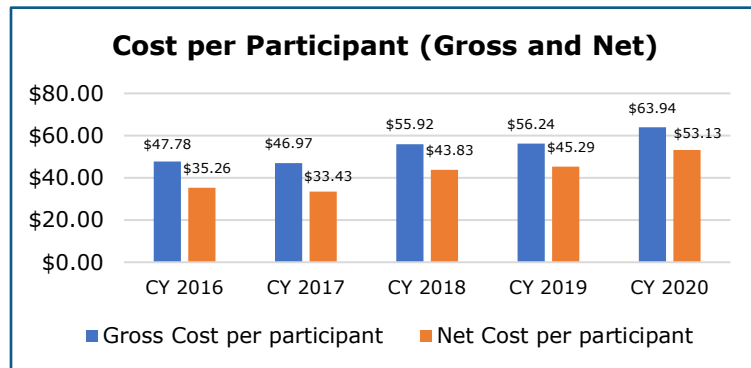
### Identified process improvement

The Agency focused on process improvement to further drive efficiency and effectiveness in delivering the TSP participant experience, including by simplifying the residential loan process. Additionally, the Agency streamlined its contractor onboarding and acquisition planning processes, and initiated processes to track audit findings and remediation. The focus on processes resulted in a significant increase in maturity between 2019 and 2020.



### Identified methodologies for assessing spending

The Agency devised methodologies for assessing spending, by examining investments in people, processes, and technology, with the goal of ensuring that Agency expenditures are thoughtful and effective and lead to positive impacts for participants. Costs increased as a result of required infrastructure work that had to be done and most recently the impact of implementing Converge and Financial Services Modernization, while continuing to run and maintain legacy systems.



## **FY2017-2021 Strategic Goal D Overview**

*Goal D: Develop a new participant experience that enables participants to identify and achieve their targeted retirement outcomes*

Goal D’s purpose is centered around enhancing participant interaction with the TSP and enabling participants to achieve their retirement goals. The Agency has leveraged business intelligence capabilities to learn more about TSP participants, enabling it to enhance services and provide targeted solutions to help participants save for retirement.

**Goal D Intended Outcomes:**

Outcome 1 – Participants are satisfied with their TSP experience and interactions

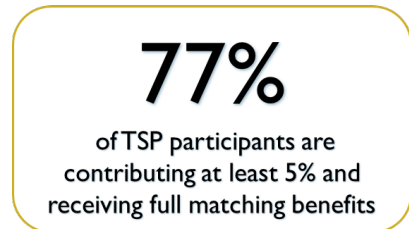
Outcome 2 – Participants retire comfortably when they’re ready

Outcome 3 – We don’t leave participants behind

Goal D key accomplishments and impacts include:

### Improved plan design

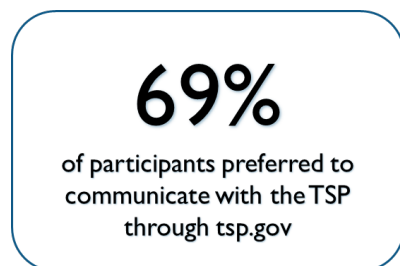
The Agency has helped participants increase their retirement savings by implementing a 5% auto-enrollment and spillover, which made the process to make catch-up contributions easier and more intuitive. These activities have resulted in 77% of participants contributing at least 5%, to receive full matching benefits and an average account balance increase, as of 2020. Further, FRTIB launched new 5-year Lifecycle funds to expand opportunities for participants to accumulate wealth at their appropriate age-based risk level.



### Improved the participant experience

The Agency launched the new TSP website, incorporating feedback from participants to inform the design and offered more user-friendly features to help participants interact with their accounts more easily. Additionally, the Thrift Savers Newsletter was launched to keep

participants updated with information and helpful tips to make smarter savings decisions. The Agency also included flexibility in decumulation strategies for participants via the Additional Withdrawals project and moved from paper forms to online wizards to provide easier and more flexible options for participants to withdraw funds. Additionally, the opening of the new contact center increased the Agency’s ability to sufficiently address participant calls.



### Launched Uniformed Services Blended Retirement System (BRS)

The National Defense Authorization Act for Fiscal Year 2016 authorized the creation of BRS, which makes the TSP a significant component of the retirement plans for many uniformed services members. The Agency implemented the new retirement system and delivered targeted communication to BRS participants, educating on benefits of contributing the full match.

Provided COVID-19 relief to participants

The Agency provided emergency relief to participants in 2020 during the COVID-19 pandemic via implementation of the CARES Act. This relief allowed participants greater access to their retirement funds to immediate economic assistance during the crisis.

## **Conclusion**

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The accomplishments achieved and progress made over the FY2017-2021 Strategic Planning cycle have positioned FRTIB well in 2021. The Agency's IT infrastructure and security is strong, significant audit findings have been addressed and closed, internal operations continue to grow in their efficiency and effectiveness, and participants are saving more than ever before while maintaining high satisfaction levels.

In the FY2022-2026 Strategic Planning cycle, FRTIB will build on these successes with a renewed focus on participant experience and outcomes.