

Annual Presentation

FY 2023 Budget Proposal

PRESENTED BY
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FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
tsp.gov

Agenda

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FY 2022 Review



FY 2022 FRTIB Priorities

Current Priorities



Fully implement
Converge



Fully implement FSM,
MSS, and AITS



Transition to a new
operating model



Maintain steady state
operations while the
transitions occur

Why We Implemented Converge

FRTIB's legacy recordkeeping operations posed some growing challenges.



Recordkeeping **processes** were **labor intensive** and time consuming



Many of FRTIB's tools and services provided to participants were based on **legacy technology**

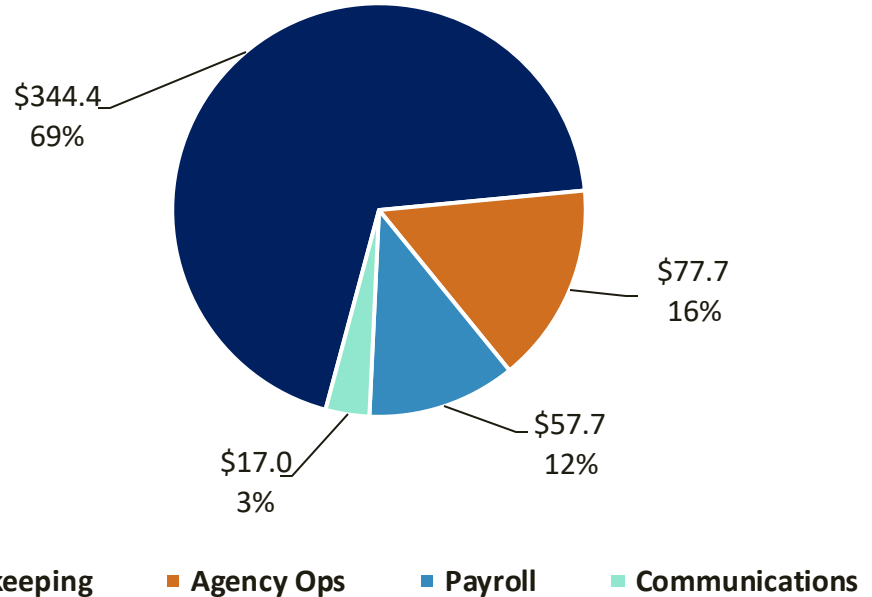


Existing technology infrastructure was **not agile and difficult to change and scale**

FY 2022 Budget

FRTIB Board
Approved
Budget was
\$496.8M

FRTIB Budget by Program
(in \$Millions)



FY 2022 Operational Highlights



Handled >757K Forms



Answered 6.6M Calls



Mailed ~37M pieces of communication materials to participants



Processed 115M Contributions = \$32B

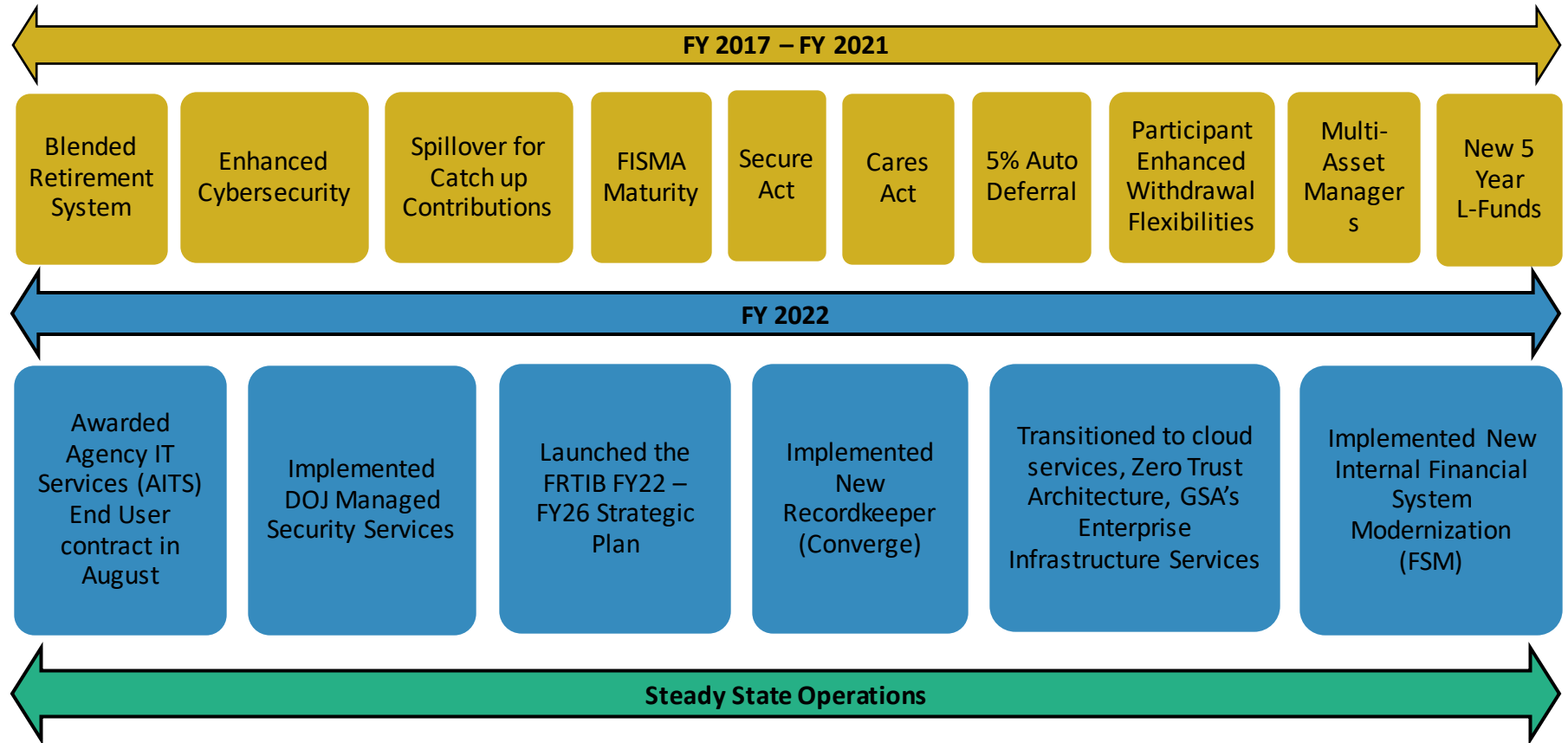


Managed \$763B AUM for 6.6M participants

Historical Overview



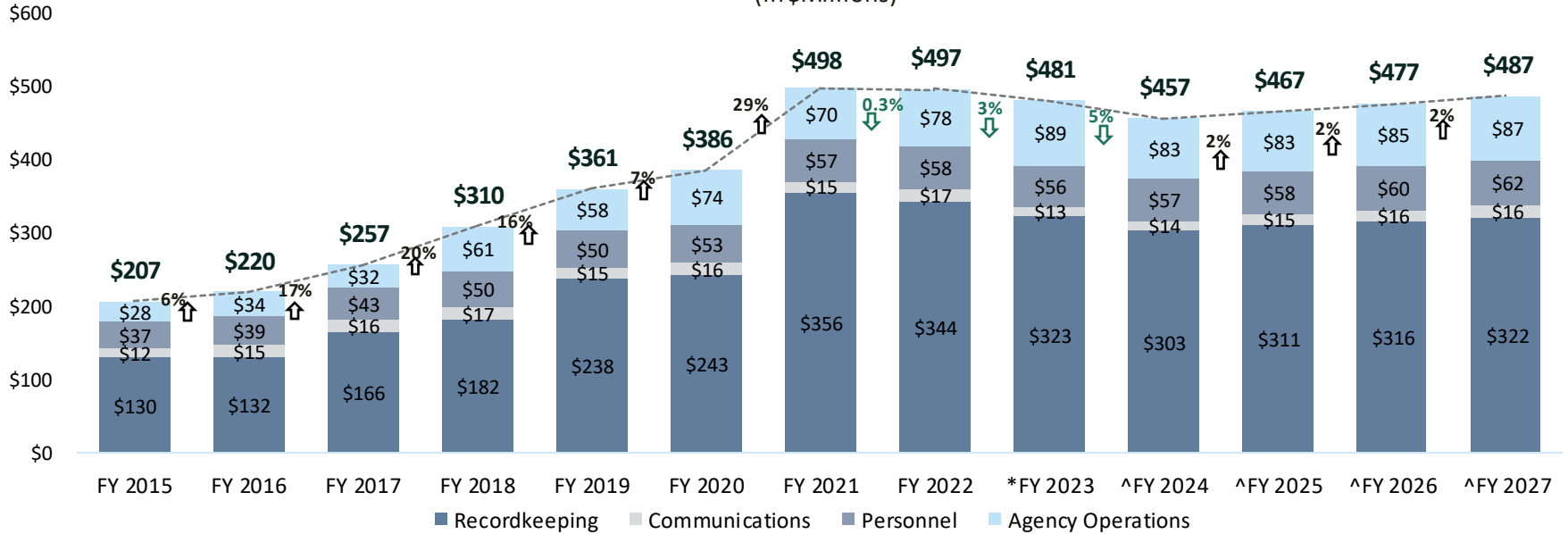
Overview of Accomplishments



Budget Historical Overview

FY 2015 – FY 2027

(in \$Millions)



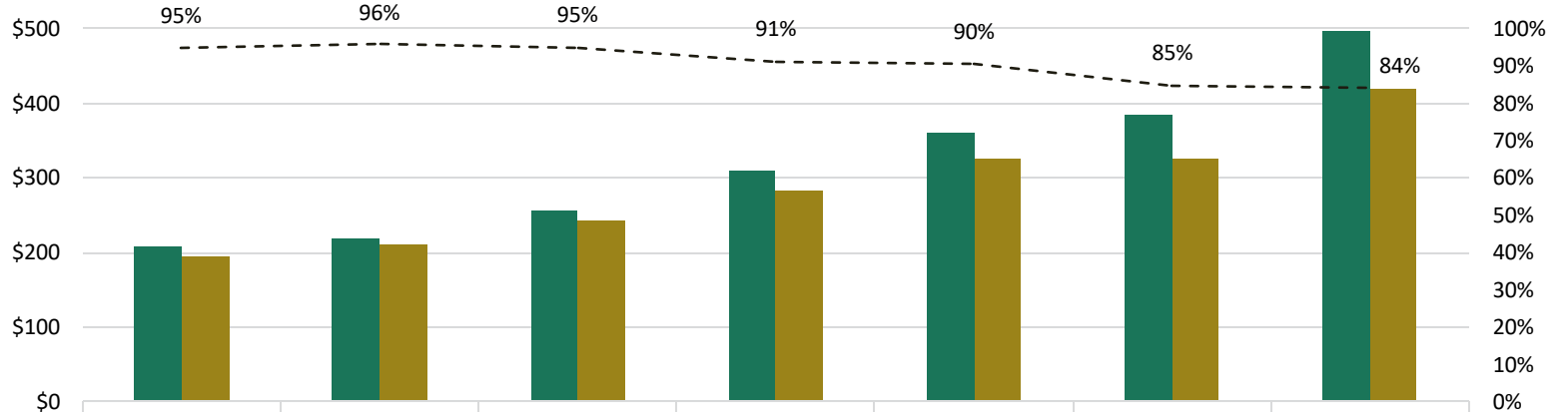
FY 2015-2022 are the Board approved budgets

* = Proposed ^ = Projected

Budget Execution

FY 2015 – FY 2021

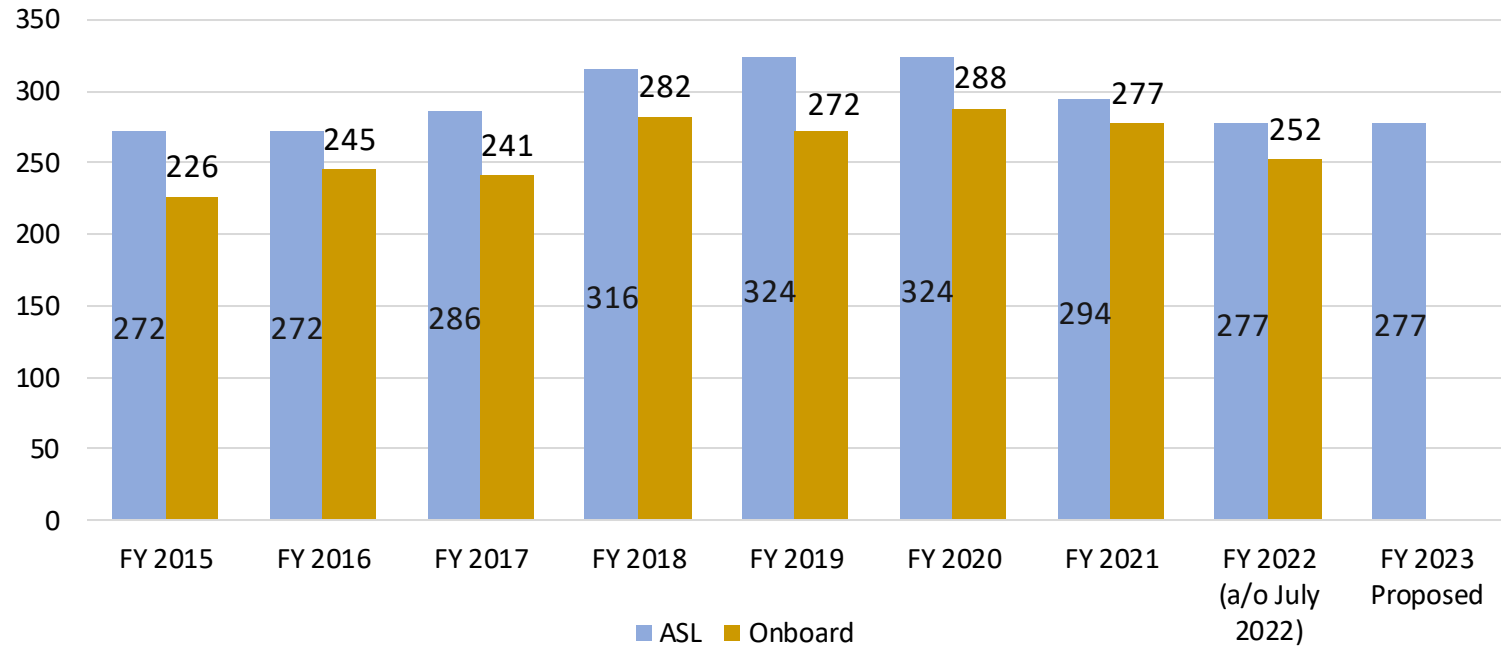
(in \$Millions)



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Budget	\$207	\$220	\$257	\$310	\$361	\$386	\$498
Expensed	\$196	\$210	\$244	\$283	\$326	\$327	\$421
% Expensed	95%	96%	95%	91%	90%	85%	84%

■ Budget
 ■ Expensed
 - - - - % Expensed

Historical Authorized Staffing Levels (ASL)



FY 2023 Proposed Budget



Supporting the Agency's Strategic Goals and FY 2023 Priorities



FRTIB Strategic Goals FY 2022 – FY 2026

As we shift away from the day-to-day management of recordkeeping operations and ownership of IT, our strategic plan focuses on our TSP benefits policy, participant outcomes and satisfaction, performing at the highest levels as an Agency, vendor oversight, and of course, a successful transition to our new vendor contracts.



Improve participant retirement outcomes



Provide top-tier defined contribution services to participants



Function as a high-performing Agency



Transition successfully to a managed services operating model

FY 2023 FRTIB Priorities

The previous slide describes the goals that guide the Agency over the next 4 years, however there are a handful of strategic priorities that will be the focus of FY 2023 and ultimately enable the overall achievement of our Strategic Goals in the FY 2022 – FY 2026 Strategic Plan.



Develop and implement a comprehensive vendor management framework



Enhance and improve our new operating model

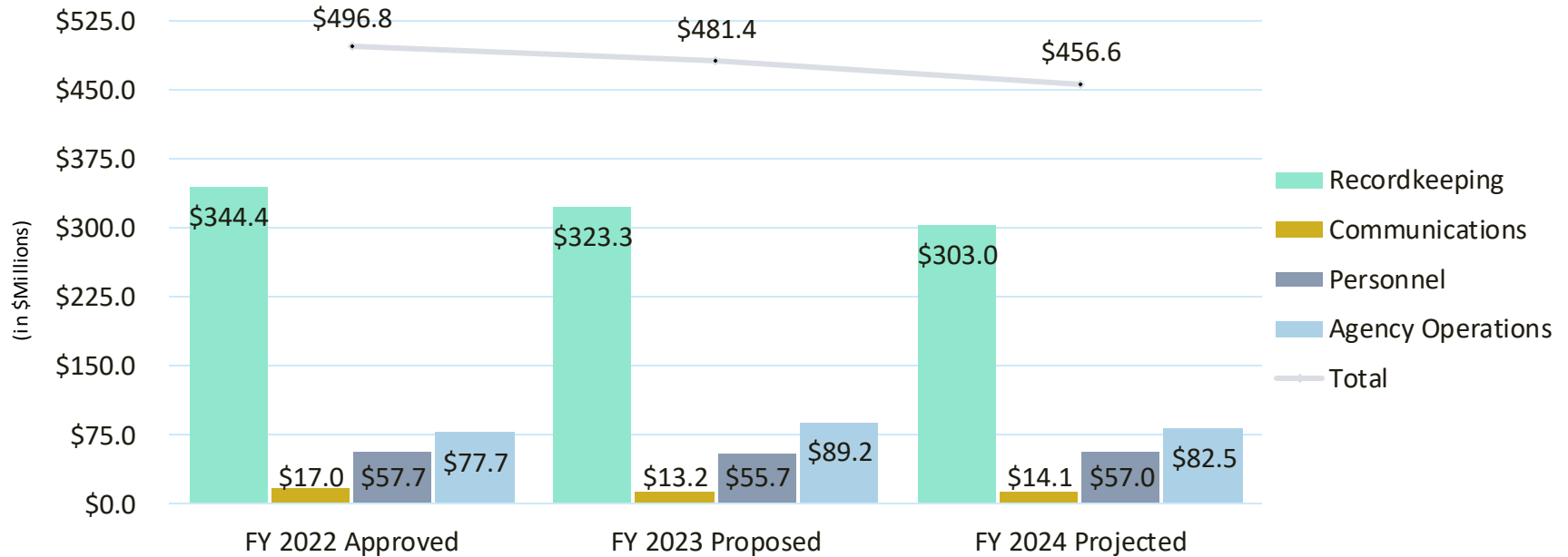


Support our employees as we complete the transition to our new operating model



Attain steady-state operations as a high-performing agency

FY 2023 Budget Overview



FY 2022 Budget = \$496.8M

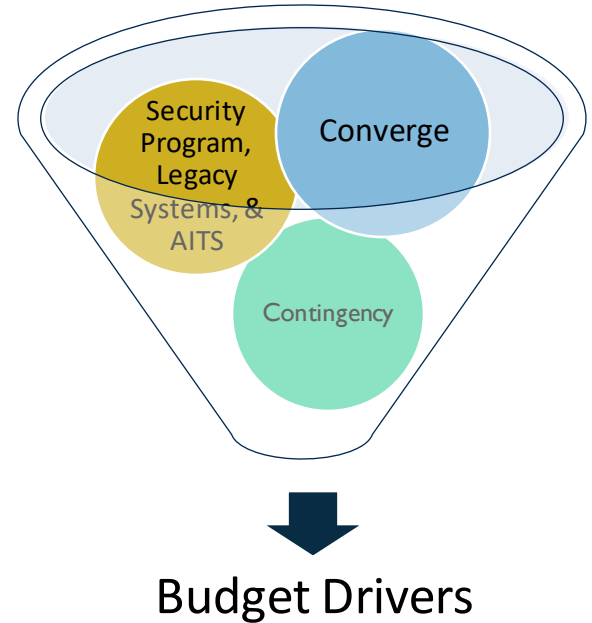
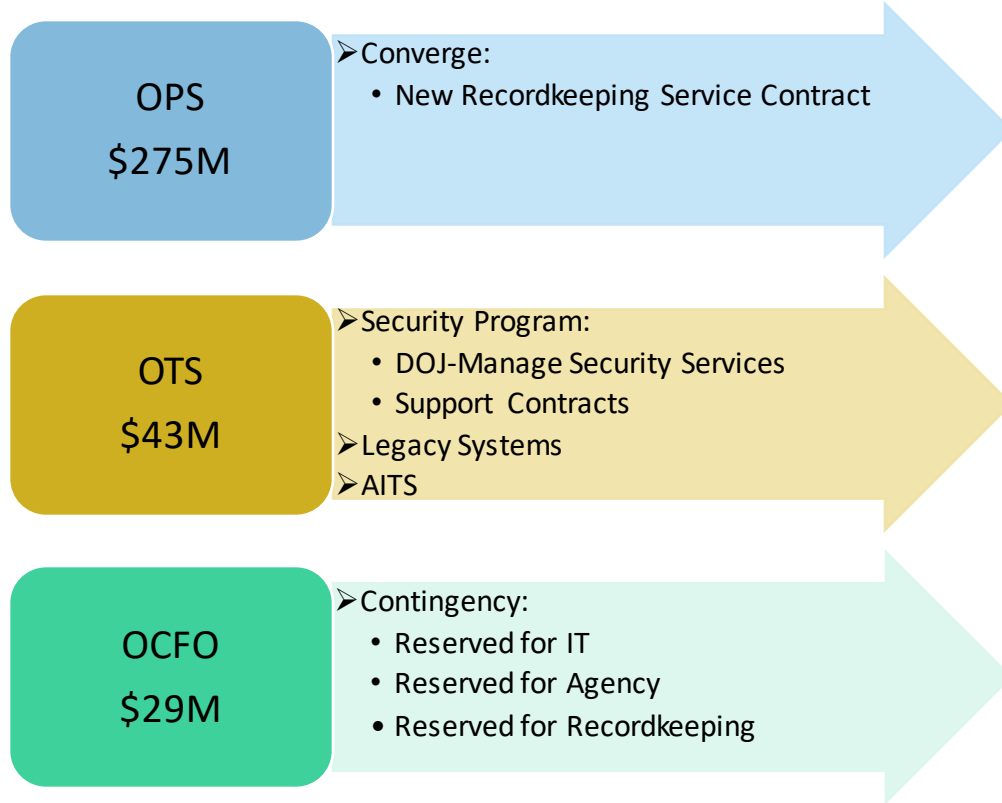
FY 2023 Budget = \$481.4M



-\$15.4M

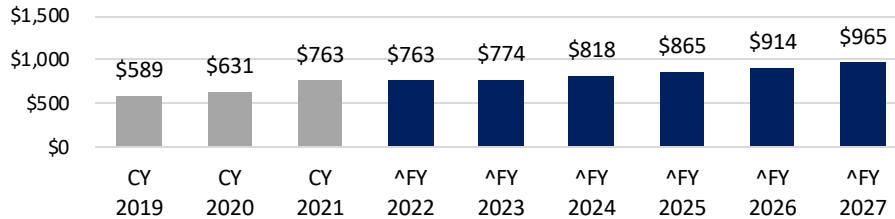
-3.1%

FY 2023 Budget Drivers

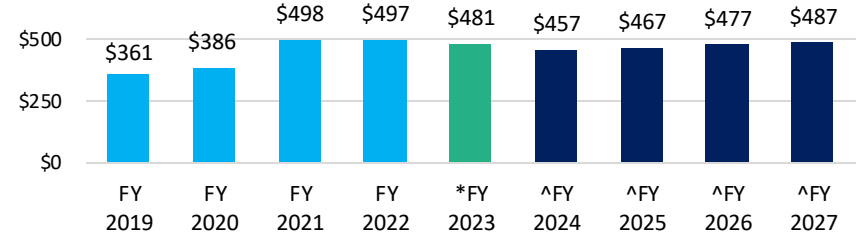


FY 2023 Budget Relative to Plan Projections

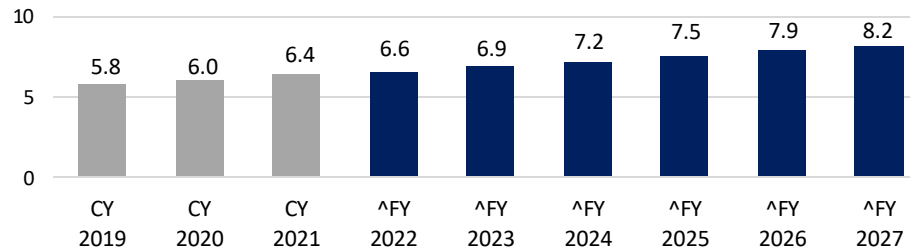
Average Assets
in Billions (\$)



Budget
in Millions (\$)



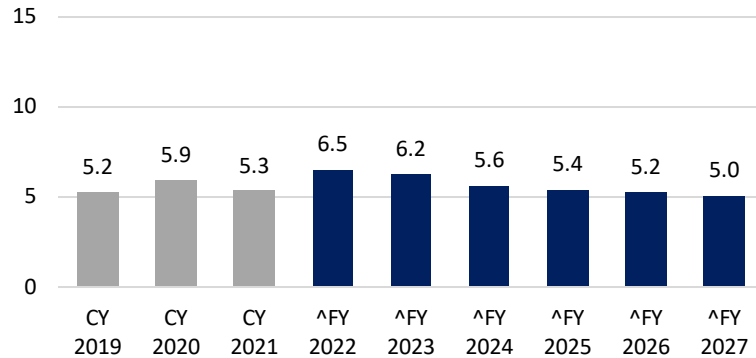
Participants
in Millions



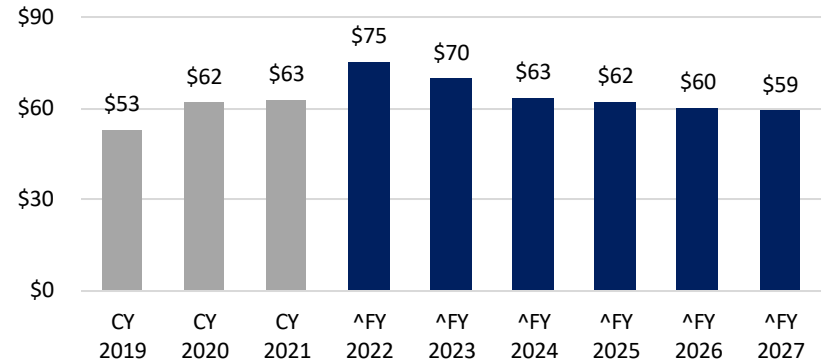
CY = Actuals FY = Approved * = Proposed Budget ^ = Projected

FY 2023 Budget Relative to Plan Projections

Budget to Assets Ratio
in Gross Basis Points



Budget to Participant Ratio
in Dollars (\$)



CY = Actuals ^ = Projected

FY 2023 Budget Recap

(in \$Millions)

FY 2022 Approved

- \$496.8M Approved Budget
- 11.0% or \$56.6M Budget Available

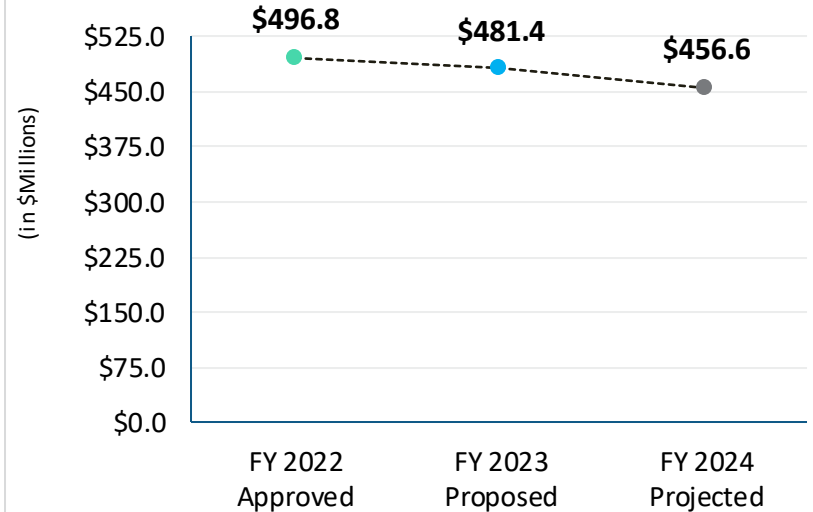
FY 2023 Proposed

- \$481.4M Request
- 3.1% decrease from FY 2022

FY 2024 Projected

- \$456.6M Projection
- 5.2% decrease from FY 2023

FY 2022 – FY 2024
Budget Summary



We Spend Participant Money Wisely



“Our mission is to administer the TSP solely in the interest of participants and beneficiaries”



The Board and the Agency are committed to keeping costs low. As a reminder, our TSP participants are only charged what we expend (or use). We know that every penny we do not spend, is a penny we do not charge our participants and beneficiaries.





Questions

