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Workforce Optimization Initiative Report 2025

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FOIA Officer
Federal Retirement Thrift Investment Board
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Washington, DC 20002
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FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77K Street, NE Washington, DC 20002

August 4, 2025

I am responding to your request received on March 16, 2025, in which you made a request for records to the Federal Retirement Thrift Investment Board (Agency) under the Freedom of Information Act (FOIA), 5 U.S.C. § 552, as amended. The Agency considered the foreseeable harm standard with any records relevant to your request, and when applying any FOIA exemptions that were applicable to those records. Your request and our response are set forth below.

REQUEST

Documents sufficient to account for the Agency Reorganization Plan that the FRTIB submitted to the Office of Management and Budget (OMB), as required by Executive Order 14210, issued on February 11, 2025, entitled 'Implementing the President's Department of Government Efficiency Workforce Optimization Initiative'.

RESPONSE

Your request is granted in full. Please find the relevant record attached to this letter.

APPEAL

If you would like to appeal this decision, you may do so in writing to the Executive Director, Federal Retirement Thrift Investment Board, 77 K St. NE, Washington, DC 20002. Please cite FOIA request case number 25-TIB-44. You must appeal within 90 days of receipt of this decision. 5 C.F.R. § 1631.10.

In addition to filing an appeal, you have the option to contact the Agency's FOIA Liaison at FRTIBFOIALIAISON@frib.gov, if you have any concerns regarding your request. You may also choose to contact the Office of Government Information Services (OGIS). OGIS offers their own mediation services to help resolve disputes between FOIA requestors and agencies. You may contact them by writing to:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road – OGIS, College Park, MD 20740

ogis@nara.gov

1-877-684-6448.

If you have any further questions regarding this request, you may contact me at (703) 346-2763 or FOIAREQUEST@ftib.gov.

Sincerely,

KNARIK GASPARYAN

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Knarik Gasparyan
Attorney-Advisor (Privacy)

Federal Retirement Thrift Investment Board's RIF and Reorganization Plan

1. A list of agency subcomponents or offices that provide direct services to citizens. Such subcomponents or offices should be included in ARRs to improve services to citizens while eliminating costs and reducing the size of the federal government. But for service delivery subcomponents or offices, implementation shall not begin until certified by OMB and OPM as resulting in a positive effect on the delivery of such services.

Response: The Federal Retirement Thrift Investment Board (FRTIB) solely administers the Thrift Savings Plan (TSP), which provides retirement benefits to approximately 7.2 million members of the current and former federal civilian, military, congressional, and judiciary workforce, and their beneficiaries. The FRTIB was designed by statute to run only one program, and to do it at no cost to taxpayers. The FRTIB does not provide any services to the general public.

2. Any statutes that establish the agency, or subcomponents of the agency, as statutorily required entities. Agency leadership must confirm statutes have not been interpreted in a way that expands requirements beyond what the statute actually requires. Instead, statutes should be interpreted to cover only what functions they explicitly require.

Response: The FRTIB was created by the Federal Employees' Retirement System Act of 1986 (FERSA). The FRTIB was established with the singular mission of administering the TSP. 5 U.S.C. § 8472(f). FERSA provides that any fiduciary shall discharge his responsibilities with respect to the TSP "solely in the interest of participants and beneficiaries" and for the exclusive purpose of providing benefits and defraying reasonable expenses of administering the TSP or applicable portions thereof. 5 U.S.C. §§ 8472(h) and 8477(b). The fiduciaries of the TSP include the Board and the Executive Director. 5 U.S.C. § 8477(a)(3). Under FERSA, the plan's fiduciaries are held to the highest standard of care under law, and accordingly, must exercise an appropriate level of care and diligence.

Among the duties of the Executive Director under FERSA is the ability to "appoint such personnel as may be necessary to carry out the provisions of this subchapter [operating the FRTIB] and subchapter III [administering the TSP] of the chapter...." 5 U.S.C. § 8474(c). We interpret FERSA strictly to ensure that all FRTIB staff remains narrowly focused only on what the statute requires. 5 U.S.C. § 8477(b).

3. All agency components and employees performing functions not mandated by statute or regulation who are not typically designated as essential during a lapse in appropriations (because the functions performed by such employees do not fall under an exception to the ADA) using the Agency Contingency Plans submitted to OMB in 2019 referenced above.

Response: The FRTIB is a self-funded agency with a tightly-defined mission and a small staff required by statute to work solely in furtherance of that mission. During a government shutdown or other lapse in appropriations, all FRTIB staff report to work and all Agency operations continue without interruption, which has been the case since the Agency's founding in 1986.

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4. Whether the agency or any of its subcomponents should be eliminated or consolidated; and which specific subcomponents or functions, if any, should be expanded to deliver on the President's priorities.

Response: Between 2018 and 2020, FRTIB undertook a comprehensive overhaul of its operational framework. This transformation involved the procurement of a commercial systems integrator to oversee recordkeeping processes, encompassing both IT infrastructure and applications. This initiative marked a significant departure from previous practices, wherein FRTIB itself functioned as the integrator and maintained ownership of the hardware and software supporting recordkeeping activities. In conjunction with this transformation, FRTIB also engaged in a workforce restructuring process to better align its human resources with the new operational model. FRTIB analyzed workforce requirements to allocate resources effectively and created a well-defined structure of roles and responsibilities to maintain accountability and efficiently run the TSP. Each FRTIB position was evaluated, assigned a clear purpose, and tasked with performing work essential and necessary to the operation of FRTIB and the TSP.

From 2020-2021, to ensure that employees were optimally placed within the organization, FRTIB conducted an agency-wide competency assessment. This assessment aimed to identify the competencies required in the new organizational state, evaluate employees against these competencies, and determine appropriate placement under the new organizational structure.

From 2022-2024, FRTIB undertook a series of office reorganizations, which included restructuring and eliminating functions, as well as realigning and reassigning personnel. As a consequence of this extensive restructuring, numerous FRTIB employees encountered substantial modifications in their roles and responsibilities and elected to leave the FRTIB. Some opted to voluntarily transition to positions within other federal agencies or the private sector, while others chose to retire. FRTIB effectively optimized the agency's size through attrition, resulting in a 17 percent reduction in staffing levels between 2020 and 2024. Presently, FRTIB maintains a workforce of only 233 employees. In 2020, our peak authorized staffing level was 324.

Beginning in 2020, to ensure the agency remained lean and mission-focused in light of the operating model transformation, a deliberate and disciplined process was implemented for backfilling vacant positions, ensuring that only those essential to the agency's mission were filled. Several factors were considered during this process, including whether the position was inherently governmental, whether alternative means such as reallocation of duties could address the need, and the consequences of not filling the position on the FRTIB mission. Each position was thoroughly reviewed by an executive leadership committee, which made disposition recommendations to the FRTIB Executive Director for final approval or disapproval based on his determination as a fiduciary. This process is established practice at FRTIB and remains in place today. This allows the agency to evaluate resources

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to ensure that positions that become vacant continue to be necessary and essential to support the FRTIB and TSP.

In summary, FRTIB recently concluded a comprehensive workforce reorganization and restructuring initiative, thereby attaining an optimal organizational structure for efficient and effective operations. No further expansion or elimination of functions is necessary, nor are additional reductions or restructurings required. Any further systematic reductions would significantly impair FRTIB's capacity to deliver retirement services to participants and beneficiaries.

5. The specific tools the agency intends to use to achieve efficiencies, including, as to each, the number of FTEs reduced and any potential savings or costs associated with such actions in Fiscal Years 2025, 2026 and 2027:

- Continuation of the current hiring freeze:

Response: As mentioned above, FRTIB recently completed an extensive workforce reorganization and restructuring initiative, resulting in a 17 percent reduction in headcount and achieving an optimal organizational structure for efficient and effective operations. The agency cannot afford to maintain the hiring freeze and has been actively seeking exemptions from OPM to continue hiring during this period, with some requests being approved to date. It is imperative for FRTIB to continue filling its vacant positions, all of which are essential to its mission of delivering retirement services to 7.2 million participants and beneficiaries, despite operating with an already lean workforce.

- Regular attrition (e.g., retirement, movement between agencies and the private sector).

Response: FRTIB will continue to adhere to its established process for filling vacant positions as regular attrition occurs. As previously noted, FRTIB employs a deliberate and disciplined approach to backfilling vacant positions, considering several key factors. These include whether the position is inherently governmental, whether alternative means such as reallocation of duties could address the need instead of backfilling, and the consequences of not filling the position on the FRTIB mission. Each position undergoes thorough review by an executive leadership committee, which makes disposition recommendations to the FRTIB Executive Director and fiduciary for final approval or disapproval. This process allows the agency to evaluate resources to ensure that positions becoming vacant remain necessary and essential to support FRTIB and the Thrift Savings Plan (TSP).

- Attrition through enhanced policies governing employee performance and conduct.

Response: FRTIB has established a robust performance management and employee relations program, supported by comprehensive policies and procedures. The HR specialists responsible for these functions are experts in their respective fields, possessing decades of experience. FRTIB ensures that supervisors receive regular and comprehensive training on managing poor performance and addressing employee misconduct. HR specialists convene with executives on a quarterly basis

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to discuss any performance or conduct issues within their offices and to develop and implement appropriate action plans.

- Attrition through the termination or non-renewal of term or limited positions or reemployed annuitants

Response: FRTIB does not have any reemployed annuitants on staff. The agency has 4 term employees on staff. One term employee will be removed from the rolls in July and no efforts to extend the term or backfill the position will be made. For the remaining 3 term employees, these positions all remain critically necessary to support a backlog of work that is critical to serving TSP participants and beneficiaries. FRTIB will closely monitor their work progress and remove these term employees once the work backlog is cleared or their full term expires, whichever comes first.

- Attrition achieved by RIFs. Please refer to Appendix 1 for specific steps and timing. For purposes of the Phase 1 ARRP, the agency should include the following information:

- The competitive areas and organizational components that the agency has targeted or will target for initial RIFs, and
- The agency's target for reductions in FTE positions via RIFs.

Response: As noted above (see response to #4), FRTIB recently concluded a comprehensive workforce reorganization and restructuring initiative, thereby attaining an optimal organizational structure for efficient and effective operations. No further expansion or elimination of functions is necessary, nor are additional workforce reductions or restructurings required. Any further reductions would significantly impair FRTIB's capacity to deliver retirement services to participants and beneficiaries.

Pursuant to the Federal Employees' Retirement System Act (FERSA), FRTIB's Executive Director possesses the exclusive authority to "appoint such personnel as may be necessary to carry out the provisions of this subchapter and subchapter III of the chapter" (5 U.S.C. § 8474(c)). Under FERSA, the Executive Director is empowered to appoint the requisite personnel to administer the Thrift Savings Plan (TSP) in alignment with the Agency's mission (5 U.S.C. § 8474(c)). The Executive Director has determined that the current staffing levels are essential for the effective administration of the TSP, solely in the interest of its participants and beneficiaries, and has consequently decided against implementing a large-scale Reduction in Force.

The FRTIB remains steadfast in its commitment to fulfilling its mission of delivering retirement services to its participants and beneficiaries with utmost efficiency. FRTIB will continue to rigorously evaluate the essentiality of each position through formal processes, including regular and recurring position criticality reviews and backfill approval procedures for vacant positions.

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6. A list by job position of all positions categorized as essential for purposes of exclusion from large-scale RIFs, including the number per each job position and total by agency and subcomponent.

Response: As noted above (see response to #4), FRTIB recently concluded a comprehensive workforce reorganization and restructuring initiative, thereby attaining an optimal organizational structure for efficient and effective operations. No further expansion or elimination of functions is necessary, nor are additional workforce reductions or restructurings required. Any further reductions would significantly impair FRTIB's capacity to deliver retirement services to participants and beneficiaries. The Executive Director has confirmed that all 108 different positions at the FRTIB are essential and critical to running the TSP. Any further reductions would significantly impair FRTIB's capacity to deliver retirement services to participants and beneficiaries.

7. The agency's suggested plan for congressional engagement to gather input and agreement on major restructuring efforts and the movement of fundings between accounts, as applicable, including compliance with any congressional notification requirements.

Response: The FRTIB does not receive annual appropriations because the agency is not taxpayer-funded. As required by statute, its budget, including its staffing levels, are approved by its Board. Nevertheless, the FRTIB will continue to comply with any applicable congressional notification requirements.

8. The agency's timetable and plan for implementing each part of its Phase 1 ARRP.

Response: As noted above (see response to #4), FRTIB recently concluded a comprehensive workforce reorganization and restructuring initiative, thereby attaining an optimal organizational structure for efficient and effective operations. No further expansion or elimination of functions is necessary, nor are additional workforce reductions or restructurings required. Any further reductions would significantly impair FRTIB's capacity to deliver retirement services to participants and beneficiaries. The Executive Director has determined that the current staffing levels are essential for the effective administration of the TSP, solely in the interest of participants and beneficiaries, and has consequently decided against implementing a large-scale Reduction in Force.

The FRTIB remains steadfast in its commitment to fulfilling its mission of delivering retirement services to its participants and beneficiaries with utmost efficiency. FRTIB will continue to rigorously evaluate the essentiality of each position through formal processes, including regular and recurring position criticality reviews and backfill approval procedures for vacant positions.

Federal Retirement Thrift Investment Board's RIF and Reorganization Plan

Timeline

Activity	Time Frame
Position Criticality Review	April 1-June 1, 2025
Vacant Position Approval Reviews	Ongoing (as positions become vacant)

Reviewed and Approved:

RAVINDRA DEO

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Ravindra Deo
Executive Director