

March 28, 2022

Office of General Counsel
Attn: Dharmesh Vashee
Federal Retirement Thrift Investment Board (FRTIB)
77 K Street NE, Suite 1000
Washington, DC 20002

RE: FRTIB Proposed Rule re: Mutual Fund Window (Docket: FRTIB-2022-0001)

Dear Federal Retirement Thrift Investment Board Members,

I write on behalf of the National Active and Retired Federal Employees Association (NARFE) in support of the Federal Retirement Thrift Investment Board's (FRTIB) proposed rule to provide a mutual fund window that allows expanded investments for Thrift Savings Plan (TSP) participants.

NARFE is a nonprofit organization whose mission includes delivering valuable guidance, timely resources and powerful advocacy on federal benefits. NARFE provides federal workers and retirees with the clear, reliable and accessible counsel they need to make critical decisions and gain confidence in a secure future. In recognition of this mission, NARFE serves proudly on the Employee Thrift Advisory Council (ETAC), whose role is to provide advice to the FRTIB on matters relating to TSP investment policies and plan administration. In that vein, NARFE submits the following comments in support of 5 CFR Part 1601, the Mutual Fund Window Proposed Rule.

NARFE supports the proposal to provide a mutual fund window within TSP, as it provides participants with additional investment opportunities that they would otherwise not have access to unless they invested outside the TSP. The window engenders additional flexibility and allows participants to invest as they see fit. Greater options and increased control over retirement dollars are attractive aspects for participants and strengthens the TSP over the long run by encouraging account holders to keep their funds in TSP, thereby lowering administrative costs.

NARFE has long believed that more should be done by FRTIB to provide as many investment options as possible to keep participants in the TSP. A mutual fund window accomplishes this and benefits all participants, even if some opt not to participate in the window. NARFE is also satisfied that the proposed regulations ensure that those taking advantage of it cover the administrative costs. This setup will prevent nonparticipants from bearing the cost burden.

According to the FRTIB 2021 Participant Satisfaction Survey, a variety of investment options have a significant effect on overall satisfaction with the TSP.¹ Providing a mutual fund window helps address the concerns of those dissatisfied with the range of TSP options. It also enables the TSP to stay competitive with its private-sector counterparts, which provide thousands of mutual funds that can entice participants to withdraw their funds from the TSP for greater investment flexibility. NARFE is encouraged that FRTIB is providing greater investment flexibility for its participants and supports further efforts to increase participant satisfaction.

Thank you for your consideration of NARFE's views. If you have any questions or concerns, please contact NARFE's Staff Vice President for Policy and Programs John Hatton at jhatton@narfe.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Thomas', with a stylized flourish at the end.

Ken Thomas
NARFE National President

¹ FRTIB 2021 Participant Satisfaction Survey. www.frtib.gov/ReadingRoom/SurveysPart/TSP-Survey-Results-2021.pdf.