

May 31, 2017

The Honorable Ron Johnson  
Chairman  
Senate Committee on Homeland Security and Governmental Affairs  
340 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Claire McCaskill  
Ranking Member  
Senate Committee on Homeland Security and Governmental Affairs  
340 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Johnson and Ranking Member McCaskill:

On behalf of the five major federal sector executive and management professional associations comprising the Government Managers Coalition (GMC), we write to share our strong support for Senate Bill 873, The TSP Modernization Act of 2017, introduced by Senators Rob Portman and Tom Carper.

The GMC collectively represents the interests of over 200,000 supervisors, managers, and executives throughout the federal government. Our group's mission is to promote good government initiatives that foster effectiveness and efficiency throughout the federal government. Modernizing the Thrift Savings Plan (TSP) fits well within that mission.

We believe this legislation benefits not only federal employees and retirees, but also the American public. The Thrift Savings Plan (TSP) is a cornerstone for federal employee retirement plans. Over the years, the TSP has been very efficiently run, while at the same time maintaining low administrative costs.

However, when a federal employee retires, there are limited withdrawal options, which often results in federal retirees moving their funds out of the TSP to higher-fee accounts. Taking funds out of the TSP also results in fewer funds being available for the federal government to borrow from when the Debt Ceiling is reached.

There are many excellent provisions in this bill we support. Some examples are:

- Allow for multiple age-based withdrawals and subsequent post-separation partial withdrawals.
- Allow a schedule of quarterly or annual withdrawal payments.
- Allow participants to change payment amounts at any time.
- Permit stoppage of periodic payments while allowing the remaining balance to stay in the plan, subject to the Required Minimum Distributions provision.

- Permit flexibility to select a partial withdrawal or annuity purchase while in periodic payment status.
- Eliminate the withdrawal election deadline which currently requires TSP participants to make a post-separation withdrawal election by April 1 of the year following the year in which they turn 70 ½ and are separated from federal service.

We are pleased that the Federal Retirement Thrift Investment Board also supports this legislation.


We appreciate your ongoing attention to review of federal employee retirement benefits. We believe this is a commonsense measure and the GMC hopes you can support this bill.

Should you require additional information or want to discuss this issue further, please contact Rachel A. Emmons with the National Council of Social Security Management Associations (NCSSMA) at [rachele@greystone-group.com](mailto:rachele@greystone-group.com) or (202) 547 8530. Thank you in advance for your consideration of our comments, and we look forward to working with the Committee on this and other issues.

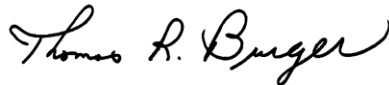
Sincerely,



ANDY TAYLOR  
President  
FAA Managers Association



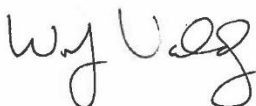
RENEE M. JOHNSON  
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Federal Managers Association



THOMAS R. BURGER  
Executive Director  
Professional Managers Association



CHRISTOPHER DETZLER  
President  
National Council of Social Security  
Management Associations



BILL VALDEZ  
President  
Senior Executives Association

cc: Members of the Senate Committee on Homeland Security and Governmental Affairs