



[BILLING CODE 6760-01-P]

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

5 CFR Parts 1630, 1632 and 1650

Cost-of-Living Adjustments and Identity Verification

AGENCY: Federal Retirement Thrift Investment Board.

ACTION: Final rule.

SUMMARY: The Federal Retirement Thrift Investment Board (FRTIB) is amending its regulations to change the cost-of-living adjustment rate used to calculate the annual increase for annuities with an increasing payment option and to clarify its requirements regarding identification verification and availability of announcements of meetings open to public observation.

DATES: This rule is effective March 1, 2020.

FOR FURTHER INFORMATION CONTACT: Austen Townsend, (202) 864-8647.

SUPPLEMENTARY INFORMATION: The FRTIB administers the Thrift Savings Plan (TSP), which was established by the Federal Employees' Retirement System Act of 1986 (FERSA), Public Law 99-335, 100 Stat. 514. The TSP provisions of FERSA are codified, as amended, largely at 5 U.S.C. 8351 and 8401-79.

The TSP is a tax-deferred retirement savings plan for federal civilian employees and members of the uniformed services. The TSP is similar to cash or deferred arrangements established for private-sector employees under section 401(k) of the Internal Revenue Code (26 U.S.C. 401(k)).

On December 17, 2019, the FRTIB published a proposed rule with request for comments in the Federal Register (84 FR 68815) and, for the reasons described below, is publishing the proposed rule as final without change. The proposed rule amended 5 CFR 1650.14(g) to provide for a fixed cost-of-living adjustment (COLA) rate of 2 percent for annuities with an increasing payment option. Several commentators expressed concern that a fixed rate of 2 percent would not provide adequate inflation protection for participants over the long term and was a cost-saving measure for FRTIB. As noted in the preamble to the proposed rule, the FRTIB will regularly review the COLA to ensure that it continues to be beneficial for TSP participants. Moreover, all TSP assets are held in trust and any savings that result from the COLA change will be passed along to participants, not the FRTIB.

The proposed rule also amended (1) 5 CFR 1630.4(a) and 1630.7(c) to clarify that TSP participants may be required to provide identifying particulars to access their account information; and (2) 5 CFR 1632.4(c) to reflect the FRTIB's existing practice of maintaining the annual Board meeting schedule online at frtib.gov and publishing announcements of meetings open to public observation in the Federal Register. The FRTIB received no comments on these changes.

Regulatory Flexibility Act

I certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation will affect Federal employees, members of the uniformed services who participate in the TSP, and beneficiary participants.

Paperwork Reduction Act

I certify that these regulations do not require additional reporting under the criteria of the Paperwork Reduction Act.

Unfunded Mandates Reform Act of 1995

Pursuant to the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 602, 632, 653, and 1501-1571, the effects of this regulation on state, local, and tribal governments and the

private sector have been assessed. This regulation will not compel the expenditure in any one year of \$100 million or more by state, local, and tribal governments, in the aggregate, or by the private sector. Therefore, a statement under 2 U.S.C. 1532 is not required.

Submission to Congress and the General Accounting Office

Pursuant to 5 U.S.C. 810(a)(1)(A), the Agency submitted a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States before publication of this rule in the Federal Register. This rule is not a major rule as defined at 5 U.S.C. 804(2).

List of Subjects

5 CFR part 1630

Privacy.

5 CFR part 1632

Sunshine Act.

5 CFR part 1650

Alimony, Claims, Government employees, Pensions,
Retirement

Ravindra Deo,

Executive Director,

Federal Retirement Thrift Investment Board

For the reasons stated in the preamble, the FRTIB amends 5 CFR Chapter VI as follows:

PART 1630 - PRIVACY ACT REGULATIONS

1. The authority citation continues to read as follows:

Authority: 5 U.S.C. 552a.

2. Amend § 1630.4 by revising paragraph (a) (2) to read as follows:

§ 1630.4 Request for notification and access.

(a) * * *

(2) Participants may also inquire whether this system contains records about them and access certain records through the account access section of the TSP Web site and the ThriftLine (the TSP's automated telephone system). The TSP Web site is *www.tsp.gov*. To use the TSP ThriftLine, the participant must have a touch-tone telephone and call (877) 968-3778. Information such as account balance and

transaction status is available on the TSP Web site and the ThriftLine. To access these features, the participant may be required to verify his or her identity by providing identifying particulars.

3. Amend § 1630.7 by revising paragraph (c) (3) to read as follows:

§ 1630.7 Identification requirements.

* * * * *

(c) * * *

(3) A participant may also access the TSP Web site or call the TSP ThriftLine to obtain account information. These systems may require identity and account verification information and may require the participant to verify his or her identity by providing identifying particulars.

PART 1632 - RULES REGARDING PUBLIC OBSERVATION OF MEETINGS

4. The authority for this citation continues to read as follows:

Authority: 5 U.S.C. 552b and 8474.

5. Amend § 1632.4 by revising paragraph (c) to read as follows:

§ 1632.4 Meetings open to public observation.

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(c) The annual Board meeting schedule will be maintained on frtib.gov. In addition, agency announcements of meetings open to public observation will be published in the Federal Register. Requests for announcements may be made by telephoning or by writing to the Office of External Affairs, Federal Retirement Thrift Investment Board, 77 K Street, NE, Suite 1000, Washington, DC 20002.

PART 1650 - METHODS OF WITHDRAWING FUNDS FROM THE THRIFT SAVINGS PLAN

6. The authority citation continues to read as follows:

Authority: 5 U.S.C. 8351, 8432d, 8433, 8434, 8435, 8474(b) (5) and 8474(c) (1).

7. Amend § 1650.14 by revising paragraph (g) (4) to read as follows:

§ 1650.14 Annuities.

* * * * *

(g) * * *

(4) *Either a single life or joint (with spouse) life annuity with increasing payments.* This annuity provides monthly payments to the participant only, or to the participant and spouse, as applicable. The monthly

payments are increased once each year on the anniversary of the first payment by a fixed rate of 2 percent. If the participant chooses a joint life annuity, the annual 2 percent increase also applies to benefits received by the survivor.

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