# TSP Seeks Fund Managers, Prepares New Withdrawal Options

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         June 5, 2019

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Officials at the agency that administers the federal government’s 401(k)-style retirement savings program announced last week that they would explore hiring a new firm to manage four of the plan's funds.

The Federal Retirement Thrift Investment Board, which operates the Thrift Savings Plan, published a [request for proposals](https://www.fbo.gov/index?s=opportunity&mode=form&id=c7f619c13e7a3bf61eb75d205994f4ca&tab=core&_cview=0) May 31 seeking bids to manage the TSP’s fixed income (F) fund, common stocks (C) fund, small business (S) fund and international (I) fund. The contract would be for a two-year term, with four options to renew the deal for two years each.

Not included in the request for proposals are the G Fund, which is made up of government securities, and the TSP’s lifecycle funds, which are a mix of the five other funds and shift investments to more stable portfolios as participants get closer to retirement.

In a press release accompanying the posting, the TSP said that it would select two managers, “who will each manage assets for all four funds.” All of the funds up for new contracts are currently managed by BlackRock Institutional Trust Company.

Responses to the request for proposals are due July 12. TSP officials said they expect to award the contracts before the end of 2019.

Officials last week also issued a [fact sheet](https://www.govexec.com/pay-benefits/2019/05/what-you-need-know-about-tsps-new-withdrawal-options/157388/?oref=channelriver) summarizing all of the changes coming this fall to the TSP as part of its implementation of the 2017 TSP Modernization Act.

Beginning Sept. 15, TSP participants will be able to make multiple post-separation partial withdrawals; make withdrawals from Roth or traditional accounts, or a mix of both; choose between monthly, quarterly or annual payments; and start, stop or make changes to the amount or frequency of installment payments any time. Additionally, participants who are at least 59.5 years old may take up to four in-service withdrawals each year.

With the launch of the new withdrawal options, TSP participants will also have access to new “wizards,” which are a series of online tools to make it easier to complete the forms necessary to make withdrawals or other changes to their accounts. The deadline for making changes under the current system is Sept. 6.

Meanwhile, lawmakers in the House this week took the first steps toward overriding President Trump’s proposed pay freeze for federal civilian employees in 2020. A House Appropriations subcommittee on Monday approved a spending package that includes an [average 3.1 percent pay raise](https://www.govexec.com/pay-benefits/2019/06/house-panel-advances-spending-bill-31-pay-raise-feds/157467/?oref=channeltopstory) for civilian feds.

The raise, if approved by Congress, would provide a 2.6 percent across-the-board pay increase, with an average 0.5 percent increase in locality pay. The bill must be approved by the full House Appropriations Committee and then voted on by the full House. The Senate has not yet introduced its own version of the legislation.