



## ***Benefits Administration Letter***

Number: 19 - 104

Date: 06/03/2019

**Subject: Analysis of Agency Financial Education and Literacy plans 2019**

### **Background**

The Thrift Savings Plan Open Elections Act of 2004 (Public Law 108-469) required the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for Federal employees as part of the retirement training offered by OPM under 5 U.S.C. 8350. [Benefit Administration Letter \(BAL\) 07-102](#) provides guidance to agencies to develop a comprehensive Financial Education Plan, while [BAL 11-104](#) updates this guidance, provides additional information to agencies, and formalizes the evaluation process. Due to the diversity among Federal agencies, guidance remained general to allow maximum flexibility in this process where all agencies may adequately respond to the requirements.

The implementation of the strategy required agencies to educate Federal employees on:

- The need for retirement savings and investment,
- Provide information on how to plan for retirement, and
- How to calculate the retirement investment needed to meet their retirement goals

The OPM Benefits Officers Development and Outreach (BODO) group received 35 Financial Education plans from Federal agencies for 2019. Each plan was reviewed and the data analyzed to identify trends. The purpose of this BAL is to provide the results of this analysis and to include a summary of the Financial Education Plan Data Elements.

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The Office of Personnel Management (OPM), Benefits Officers Development and Outreach (BODO) group received 35 Financial Education plans from Federal agencies for 2019. Each plan was reviewed, evaluated, and the data analyzed to identify trends. This BAL includes the findings based on commonalities of the plans received, discusses the challenges identified in this analysis, and makes recommendations using this analysis.

There were several commonalities in the plans provided by the agencies despite their differences. It was evident that many agencies outlined their plan in accordance with the instructions provided in BAL 07-102 by the inclusion of the key elements identified, emphasizing the tools which were implemented in support of the Retirement Readiness NOW model, highlighting efforts in educating employees throughout their federal career, and complying with the reporting requirements.

The commonalities as it relates to the key elements are highlighted below:

**Content:**

- 94% of Federal agencies who submitted plans included educational opportunities for the CSRS and FERS retirement systems
- 94% included various communication efforts and resources for the Thrift Savings Plan (TSP)
- 83% of submitting agencies specifically mentioned Social Security and Medicare
- 75% mentioned the Federal Employees Health Benefit Plan (FEHBP) and Federal Employees Group Life Insurance (FEGLI)

Within the key element of content, the majority of submitting agencies also mentioned informing employees of:

- availability of self-initiated retirement estimate tools available for employees
- Estate planning
- Federal Long Term Care Insurance

**Delivery:**

- 97% of agencies utilized web based communication efforts
- 94% conducted pre-retirement counseling and seminars
- 91% offered one-on-one counseling for employees

The vast majority of agencies also delivered information through:

- Agency wide email blasts
- Targeted emails (new hire, mid-career, retirement eligible)
- Benefits fairs
- Lunch and learn programs
- Online tools, such as calculators

**Evaluation:**

- 86% of submitting agencies specifically mentioned using surveys to evaluate their services

**Sustainability:**

- 91% planned to implement enhanced services based on feedback
- 88% analyzed survey results
- 64% of agencies reported a plan to increase awareness of available services

**Challenges:**

While the majority of Federal agencies that submitted Financial Education plans were consistent with outlining their results in the same format as listed in BAL 07-102 by organizing the information within the specific key element, some education plans were written in a narrative format. Although this approach is acceptable, it requires the analyst to extract data elements from throughout the narrative and categorize them with a certain degree of subjectivity. Other submissions were prepared in general terms resulting in a broad overview without the specific details needed to adequately assess the inclusion of all of the key elements and evaluate if the content provided is comprehensive. This made it difficult to determine if the Federal agency included the basic Federal benefits, (CSRS and FERS benefits, FEHB, FEGLI, TSP, supplemental insurances, etc.) in the plan. Many agencies mentioned the use of outside entities, their programs, and content. However, they did not detail the specific topics covered, making it difficult to determine if these outside entities provided information on other topics that may be of interest for other agencies to include in their future plans.

The areas identified as needing improvement include:

- specific training for HR Specialists (Only 26 percent of agencies mention specific training)
- monitoring of TSP contributions. Because the majority of Federal employees are now covered under FERS, this is a critical piece in their retirement and financial planning (60 percent of agencies report they monitor the TSP)\_
- working with labor organizations and unions, which could increase their communication of educational opportunities and resources available to all employees (11 percent of agencies mentioned these efforts)

OPM recognizes the diversity among Federal agencies. Thus, to provide a resolution to the analytical challenges, we provided additional information for agencies to utilize that could help to better define both the topics and subtopic information. This will help agencies format their plans to achieve maximum results, as detailed in Public Law 108-469. It also enhances their plans to adequately prepare employees to set and meet their retirement goals.

Utilizing this information would not only guarantee coverage of the basic elements in a plan, but also highlight specific innovative ideas or subjects in a particular agency plan:

**Content:**

- CSRS/FERS
- FEHB
- FEGLI
- TSP
- Federal Employees Dental & Vision Program (FEDVIP), Flexible Spending Account
- Federal Long Term Care Insurance (FLTC)
- Social Security & Medicare
- Estate Planning
- Tax Planning Strategies
- Child Education Planning
- Eldercare Planning
- Self-Initiated Estimates Calculators (GRB, EBIS, Employee Express, etc.)

**Delivery:**

- Pre-Retirement Counseling
- Pre-Retirement Seminars
- One-on-One Counseling
- Benefit Fairs
- Lunch & Learn
- Targeted Communication (new hire, mid-career, retirement eligible)
- Email Blasts
- Web Based Communication
- Posters/Flyers
- Pamphlets/ Newsletters
- Online Calculators
- Engaged with Labor Organizations & Unions
- Training for Benefits Personnel

**Evaluation:**

- Surveys
- Analysis of Utilization of Services
- TSP Participation/ Contribution Rates
- Evaluation of Benefits Personnel

**Sustainability:**

- Analysis of Survey Results
- Strategies Developed for Increased Utilization of Services
- Increasing Awareness of Services
- Refresher Training for Benefits Personnel
- Develop Training Materials Based on Regulations