



Highlights of [GAO-05-38](#), a report to the Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Intended to resemble private sector 401(k) pension plans, the federal government's Thrift Savings Plan (TSP) held more than \$128 billion in retirement assets for over 3 million participants at the end of 2003. Customer service-related difficulties during the Federal Retirement Thrift Investment Board's (TSP's governing body) record-keeping system conversion in 2003 led the Chairman of a Senate Committee to ask GAO to examine the customer service provided to TSP participants. This review describes (1) customer service provisions within TSP and those offered by private sector managers and (2) customer service practices used by private sector plan managers that could be considered for use in TSP.

## What GAO Recommends

GAO recommended that the Board (1) develop a systematic effort to assess TSP participants' overall satisfaction with the services provided and (2) institutionalize the routine collection of information and systematic assessment of industry trends and innovations. The Board disagreed with our recommendations because it had stated its intentions to conduct a participant survey and has visited several large private plan managers. However, we continue to believe that ongoing efforts to assess customer satisfaction and practices used in the customer service industry should be institutionalized as a regular aspect of TSP's operations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-38](http://www.gao.gov/cgi-bin/getrpt?GAO-05-38).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara Bovbjerg at (202) 512-7215 or [bovbjergb@gao.gov](mailto:bovbjergb@gao.gov).

# FEDERAL THRIFT SAVINGS PLAN

## Customer Service Practices Adopted by Private Sector Plan Managers Should Be Considered

### What GAO Found

TSP managers and private managers (servicing multiple pension plans) enable participants to select their preferred means of customer service from a similar range of options—such as telephone, Web sites, and on-site representatives—but each emphasizes different approaches. Both TSP and private plan managers provide customer service through automated telephone assistance as well as live representatives located at call centers. Both TSP and private managers also use standards to measure the efficiency and effectiveness of their call centers. However, TSP managers emphasize the efficiency of call centers based on quantifiable standards, such as the time it takes to respond to incoming calls, while private plan managers place a greater emphasis on the policy of satisfying each customer's needs in one call. Both TSP and private sector plan managers also use Web sites to deliver plan information and allow participants to conduct personal transactions, and private plan managers emphasize the use of their Web sites as the primary vehicles for delivering retirement education and information to participants. Finally, while TSP managers said that agency representatives serve as the initial contact points for TSP employees to learn about TSP and receive counseling, private plan managers use on-site representatives less to supplement services provided by call center representatives and Web-based resources.

Private sector plan managers we contacted have adopted various other practices that are not featured within TSP, such as regularly assessing customer satisfaction and using regularly updated technology to improve customer service. These managers gather participant feedback on their voice response system via short, automated surveys at the end of participants' calls and use short, on-the-spot surveys to gather information on participants' experience with their Web site. These plan managers emphasized the importance of incorporating participant feedback into their customer service delivery model in order to better meet the needs of their participants. Although TSP managers have surveyed participants in the past, they do not have a systematic approach to assess whether their customer service meets participants' needs. TSP managers rely largely on indirect feedback from customer service staff, agency coordinators, and others who respond to complaints or requests for assistance from participants. The privately managed plans we studied also appear to utilize more up-to-date technologies to provide customer service, such as allowing participants to create account statements for any period of time or offering seminars over the Web on different plan topics that participants can access anytime. The TSP Web site provides fewer options and relies more on basic features.