



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

July 3, 2014

S. 2117
Smart Savings Act

*As ordered reported by the Senate Committee on Homeland Security
and Governmental Affairs on June 25, 2014*

S. 2117 would change the default investment fund in the Thrift Savings Plan (TSP) for government employees. Currently, contributions of employees who are enrolled in the TSP, but have not specified where to invest their funds, are automatically invested in the Government Securities Investment Fund. This bill would shift the default fund to a Lifecycle fund with an age-appropriate asset allocation.

CBO estimates that enacting S. 2117 would not affect direct spending. The Joint Committee on Taxation (JCT) estimates there could be a small revenue effect because enacting the bill might change the number of federal employees who choose to contribute to the TSP, thus modifying their total tax liability. Therefore, pay-as-you-go procedures apply. However, JCT estimates that any revenue effects would be negligible.

S. 2117 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On May 7, 2014, CBO transmitted a cost estimate for H.R. 4193, the Smart Savings Act, as ordered reported by the House Committee on Oversight and Government Reform on March 12, 2014. The two bills are substantively identical and the cost estimates are the same.

The CBO staff contacts for this estimate are Santiago Vallinas and Dan Ready. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.