

Retirement Milestones

CORE RETIREMENT BENEFITS ARE PROVIDED BASED ON SERVICE

<u>SERVICE</u>	=	<u>BENEFIT</u>
3 TVARS		Vested for 401(k) match
5 TVARS OBS		Vested for pension benefit (service includes credit for SL/FAL)
5 TVARS CBBS		Vested for pension benefit
10 TVA + 5 TVARS		OBS members may purchase up to 1 year eligible military service
15 TVA + 5 TVARS		OBS members may purchase up to 2 years eligible military service
20 TVA + 5 TVARS		OBS members may purchase up to 3 years eligible military service
25 TVA + 5 TVARS		OBS members may purchase up to 4 years eligible military service

ADDITIONAL BENEFITS ARE BASED ON AGE AND SERVICE

<u>AGE</u>	+	<u>SERVICE</u>	=	<u>BENEFIT</u>
45		OBS	If vested	Receives maximum pension factor if at least actual age 45 at retirement and age plus creditable service equals 80
50		5 TVA		May continue TVA medical insurance if hired before 1/1/05
55		10 TVA		May continue TVA medical insurance if hired on/after 1/1/05
55		10 TVARS		Eligible for TVARS Supplemental Benefit
55		20 TVA		Minimum TVA Health Care Credit if also eligible for TVARS S/B
55		25 TVA		Next higher level TVA Health Care Credit if also eligible for TVARS S/B
55		30 TVA		Maximum TVA Health Care Credit if also eligible for TVARS S/B
55		N/A		401(k) early distribution penalty eliminated if at least 55 in year you retire
59-1/2		N/A		No restrictions on 401(k) distributions until 70-1/2
60		OBS	If vested	Receives maximum pension factor if attained age 60 (not based on points)
60				Cost-of-living adjustments, if applicable, begin January after reaching <i>actual</i> age 60
62		N/A		Early Social Security benefits may commence
62		N/A		Level income plan reduction begins
65-67		N/A		Maximum Social Security benefits depending on your date of birth
70-1/2		N/A		Must begin 401(k) minimum distributions to avoid IRS penalty

CONSIDER WHEN CHOOSING A RETIREMENT DATE

- First of the month versus end of the month . . . *because* . . . current employee benefits are in effect at the employee rate through the end of the month in which employment ends.
- End of a pay period . . . *because* . . . leave is not earned until you have credit for a *full* pay period. An employee is considered to have been employed for a full pay period if he/she is on the payroll for all scheduled work days during the pay period. For example, the end of a pay period for many employees would be the end of their work schedule on Friday.
- End of the leave year . *because* . . . annual leave in excess of 240 is forfeited at the beginning of each new leave year.
- December 31 or earlier...*because*...CBBS participants age 60 or older will be eligible for any January cost-of-living adjustment.
- TVA anniversary date . *because* . . . TVA service milestones are based on *full* years of service.
- TVARS anniversary date . *because* . . . TVARS service milestones are based on *full* years of service.

Notes:

- (1) If an OBS participant age 60 or older as of December 31 retires after January 1, their pension will be at least as much as it would have been on January 1 with the COLA.
- (2) These milestones are based on routine/normal retirement situations. Unusual circumstances, such as reductions in force or disability retirements, may affect eligibility criteria and actual benefits provided.
- (3) Additional information/documentation is available on the TVARS and Employee Benefits websites.