



VOLUNTARY 401(k) ELECTION OPPORTUNITY OVERVIEW

Amendments to the TVARS Rules and Regulations and 401(k) Plan Provisions were recently approved that will allow employees to voluntarily elect future participation and retirement benefits in the 401(k) Plan only. Various election options are available depending on the eligible participant group:

Employee group	Election options
<ul style="list-style-type: none"> • First became a TVARS member before 1/1/1996 and elected to participate in the Cash Balance Benefit Structure OR • First became a TVARS member on or after 1/1/1996 but before 7/1/2014, and had 10 or more years of service as of 10/1/2016 	<ul style="list-style-type: none"> • Option 1: Waive pay credits to your Cash Balance Account and receive increased contributions to your 401(k) Plan account • Option 2: Waive pay credits to your Cash Balance Account and receive increased contributions to your 401(k) Plan account PLUS transfer your Cash Balance Account to the 401(k) Plan¹ • Option 3: No change
<ul style="list-style-type: none"> • First became a TVARS member on or after 1/1/1996 but before 7/1/2014, and had less than 10 years of service as of 10/1/2016 	<ul style="list-style-type: none"> • Option 1: Waive TVARS pension benefits and transfer your Cash Balance Account to the 401(k) Plan¹ • Option 2: No change

The Cash Balance election window is **July 1–August 31, 2018**, with any elected changes effective October 1, 2018.

Key messages about this opportunity

- As an employee with a Cash Balance account, you have an opportunity to choose to stop receiving Cash Balance pension benefits and instead shift your retirement benefits to the 401(k) Plan beginning October 1, 2018.
- If you prefer your current retirement benefits, then no action is necessary on your part during this election window.
- It is important you understand the implications of your decision, such as what you are giving up and the impact this election has on your other benefits. Refer to the *Election Guide* (mailed to home addresses on June 25) for more information on what each election option entails.
- Review the *Personalized Statement* (also mailed to home addresses on June 25) to see the estimated potential value of your TVA retirement savings depending on the election option you choose.
- There are several other factors to consider when making this decision, such as your expected retirement date, risk tolerance, and other sources of retirement income.
- Before making a decision, carefully weigh your options to ensure you're making the best decision for your personal situation.
- You can elect to make changes to your current retirement benefits on Fidelity NetBenefits® July 1–August 31, 2018.

¹Employees with a Cash Balance benefit subject to the terms of a domestic relations order (DRO) are ineligible for this election option.

Communication strategy

The following communications will be sent out to eligible participants regarding the election window:

Date	Deliverable	Description
June 19	Email Announcement	Announces the election opportunity and key dates, plus previews next steps
June 25	Election Guide (<i>mails with Personalized Statement</i>)	Describes the election opportunity, including in-depth information on each election option, highlights key considerations before making a decision, and outlines how to make your election
June 25	Personalized Statement (<i>mails with Election Guide</i>)	Provides a personalized comparison of employees' estimated potential value of retirement benefits at retirement depending on the election option the employee chooses
July 24 Aug. 14	Email Reminders	Reminds employees of the election opportunity and encourages action before the window close
July 1–Aug. 31	Fidelity NetBenefits® Promotions	Promotes the Election Guide via an Alert, plus promotes the election window and serves as a way to access the election page via an Engager Banner

How participants can make an election

- From **July 1 to August 31**, participants can log on to [Fidelity NetBenefits](#) and select the engager banner at the top of the page (displayed for eligible participants only).
- Participants can then select the desired election option at the bottom of the page as directed. Elections can be changed at any time until the window closes on **August 31, 2018 at 11:59 p.m. ET**. The benefit changes associated with the final elected option will go into effect on October 1, 2018.
- **Note:** Participants do not need to make an active election on NetBenefits in order to continue receiving the same retirement benefits as they do today.
- Participants who **do not** make an active election on NetBenefits by **August 31, 2018 at 11:59 p.m. ET** will be defaulted to continue receiving their retirement benefits as they do today.

Additional resources for participants

- **Visit with a dedicated Fidelity Retirement Planner** for free 1:1 retirement savings and investment planning support over the phone or in person. To get started, call **877-895-5986** or go to <https://nb.fidelity.com/public/nb/tva/contactus/schedule-a-meeting> to schedule a 45-minute appointment.
- **Attend a group onsite session** to learn more details about this opportunity from TVARS Retirement Consultants. Go to the TVARS SharePoint site (TVA Network only) at http://fs.tva.gov/Retirement_Management/Benefits/Lists/Group%20Sessions/NewForm.aspx to view the schedule and register for a group session near you. A Help Desk will also be available at the group sessions.
- **Access the Cash Balance Plan Calculator** to get more details on your Cash Balance pension benefit and model other projected values of your Cash Balance Account and pension across various scenarios. Visit <https://pension.hewitt.com/tvars> to get started.
- **Talk to a Fidelity representative** to ask questions about this opportunity. Just call **800-354-7121** Monday through Friday (excluding most New York Stock Exchange holidays) between 8:30 a.m. and midnight ET. You may also contact TVARS by email (retsvcs@tva.gov) or by phone (**865-632-2672** or **800-824-3870**).